



# ARAB TIMES



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Second day of Iraq-Iran direct talks

## Tehran sets out its 'criteria for peace'

GENEVA, Aug 26, (Agencies): Iran today seemed to be taking an early uncompromising line in the UN-sponsored peace talks with Iraq, pressing for the swift formation of an independent body to assign blame for the war and sticking to a border treaty that has been unilaterally renounced by the Baghdad leaders.

The Gulf foes resumed face-to-face talks this evening after meeting separately earlier in a move which had sparked diplomatic speculation their efforts to achieve a Gulf war peace had run into trouble.

"How long this meeting is going to last I cannot tell you," UN spokesman Francois Giuliani told reporters at 6 pm (1600 GMT). "It has just got under way a few minutes ago."

### Plan

After a 2-1/2 hour formal opening session yesterday, the two sides left the negotiating chamber and met in a move which had sparked diplomatic speculation their efforts to achieve a Gulf war peace had run into trouble.

Perez de Cuellar met the two ministers before the direct talks resumed.



Perez de Cuellar (right) greets Velayati. (Reuter wirephoto)



Tareq Aziz

out ways of implementing a UN-sponsored peace plan.

"Things are not going brilliantly well," a Western diplomat said, adding that Iran and Iraq differed on the order in which the UN peace plan should be tackled.

But UN officials insisted the talks were going normally.

Perez de Cuellar met the two ministers before the direct talks resumed.

Tehran's position in the talks was laid out in a brief public

statement by Velayati on the second day of the negotiations aimed at a settlement widely predicted to be months, if not years away.

Velayati named three Iranian "valid criteria" for reaching a "comprehensive, just and honourable peace." They included the UN ceasefire Resolution 598, an "outline plan" prepared by UN Secretary-General Javier Perez de Cuellar for implementing the resolution, and the 1975 Algiers Treaty between Iran and

Iraq that was designed to settle centuries of border disputes between the two countries. That treaty was repudiated by President Saddam Hussein on Sept 17, 1980.

Velayati did not elaborate on the "outline plan" in his brief statement in front of more than 100 reporters at the Geneva UN office. But he was evidently referring to a paper prepared by Perez de Cuellar last fall.

In a follow-up April 13 message to the Security Council,

which was later leaked to the press, the UN chief executive proposed specifically that "on D-Day (the official ceasefire date) the impartial body to inquire into responsibility for the conflict shall begin its work."

### Promised

Iran has repeatedly stated that it was the promised formation of that body that made it eventually accept Resolution 598 last month. It expects the body to identify Iraq as the aggressor, a verdict that could also be the basis for reparation claims.

Iran also holds that the 1975 border treaty concluded between Iraq and Shah Reza Pahlavi has remained in force and that the unilateral repudiation by Baghdad is incompatible with international law.

The most contentious part of that treaty delineated the boundary along the 203-kilometre

(Continued on Page 2)

### UN observer dies from sunstroke

COPENHAGEN, Aug 26, (Reuters): A Danish officer observing the Gulf war ceasefire in Iraq died in Baghdad hospital after suffering from sunstroke, a UN military spokesman said today.

Major Niels Stig Preben Andersen, 55, died yesterday.

Meanwhile, the Pakistan Muslim League (PML), which governed under Zia from 1986 to last May, split in two. A faction of Zia protégés including at least six current ministers met to choose a new party leadership.

The rival faction led by former Prime Minister Mohammad Khan Junejo, who was sacked by the late President in May, said the meeting was illegal.



Gen. Beg

Ishaq Khan, was in the offing. Beg, the Chief of Army Staff, paid tribute to his predecessor and termed his death in an unexplained plane crash a conspiracy.

APP said. He also referred to what he called threatening statements made by a Soviet spokesman and by Indian Prime Minister Rajiv Gandhi two and four days before the Aug 17 crash.

He said the Army had no lust

for power. "He advised the armed forces to keep aloof from politics and said that it was the sole domain of the politicians," APP said.

Former Prime Minister Mohammad Khan Junejo welcomed today the pledge from Beg to help restore elected government.

"I think it is a positive statement by a general," Junejo said in an interview. "I think he wanted to give forth guidelines to the military."

### Reflecting

"He is the first commander of the Army who is not involved in politics," Junejo said. "He is purely an Army officer."

Respected newspaper columnist Mushahid Hussain said Beg was clearly reflecting Army thinking. But he said the speech also seemed to be setting an agenda as to how the country should be run.

The Army chief gave strong support to the cause of Afghan anti-communist rebels and to Pakistan's close relationship (Continued on Page 2)

### Chief-of-staff pledges support for elections

## Stay out of politics, Pakistan Army told

ISLAMABAD, Aug 26, (Reuters): Pakistan's new Army chief, General Mirza Aslam Beg, yesterday told the military — which has ruled the country for more than half its 41 years of existence

— to stay out of politics.

The official APP news agency said Beg, speaking eight days after the suspected assassination of military President Mohammad Zia-ul-Haq, told senior officers the security and integrity of Pakistan was the sole concern of the armed forces.

The general pledged his support for elections scheduled for Nov 16.

### Offing

Beg referred to Pakistan's "march towards the cherished goal of democracy." Pakistani observers could not recall a senior serving officer making such a strong commitment to civilian rule and democracy.

The Army has seized power three times since independence from Britain in 1947. Earlier this week rumours swept the country that another coup, against civilian acting President Ghulam

Ishaq Khan, was in the offing. Beg, the Chief of Army Staff, paid tribute to his predecessor and termed his death in an unexplained plane crash a conspiracy.

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## Elections will be held on schedule: Ishaq Khan

ISLAMABAD, Aug 26, (Reuters): Acting President Ghulam Ishaq Khan declared today that there would be no deviation on Pakistan's road to democracy and urged political leaders to co-operate.

In a television address to mark the end of the 10-day mourning period for military President Mohammad Zia-ul-Haq, he urged people to forget their petty differences and hurry their judgements.

Ishaq Khan, 73, said elections will be held on schedule on Nov 16 and pledged that power would be handed over after polls in accordance with the constitution.

"I am sure that the election results will be accepted by the nation with an open mind," he said.

He was speaking a day after the new Army chief had thrown his support behind the elections and transition to a civilian government after Zia's 11-year rule.

### Widow freed on bail

## Political row over murder of Modi

NEW DELHI, Aug 26, (Reuters): Allegations of illicit sex and political muck-raking are emerging in the Indian media as police investigate the murder of national badminton hero Syed Modi.

Modi's widow, Amita, was freed on bail today after being questioned for six days by detectives investigating who shot the 25-year-old athlete on July 28 after a training session in the north Indian city of Lucknow.

The Press Trust of India news agency said Amita, 24, was ordered not to leave New Delhi, where she had been interrogated by detectives from the Central Bureau of Investigation.

Indian reporters have written that detectives investigating the case told them Amita was having an affair with family friend Sanjay Singh, once close to Prime Minister Rajiv Gandhi but now leading opposition figure.

Amita has described the reports as "a cock and bull story," denying she had an affair with Singh and saying she did not believe he was behind her husband's murder.

Sanjay said Amita was simply his best friend's wife and also denied any sexual involvement.

Meanwhile, the Pakistan Muslim League (PML), which governed under Zia from 1986 to last May, split in two. A faction of Zia protégés including at least six current ministers met to choose a new party leadership.

The rival faction led by former Prime Minister Mohammad Khan Junejo, who was sacked by the late President in May, said the meeting was illegal.

### Conceded

The Muslim League was expected to offer the main challenge to opposition leader Benazir Bhutto's Pakistan People's Party in the November polls and political observers said the split should improve her chances.

PML members said the party leadership had been offered to Ishaq Khan, the Senate chairman, in a bid to bridge the gap.

"I am sure that I will get from you not only prayers but your practical co-operation."

Benazir and other opposition leaders have promised to support Ishaq Khan in following the constitution and seek to avoid any action which might antagonise the military.

"We have complete faith in democracy," he said. "Nonparticipation from the constitutional path is thus permissible."

"In all these difficult stages of the journey to democracy, I will need full co-operation from you and political leaders," he told the nation with an open mind.

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## INTERNATIONAL

### Stay out of politics, Pakistan Army told

(Continued from Page 1) with the United States. He also stressed the need for an "objective, selfless and clean" political leadership.

Beg, 57, who was promoted from Vice-Chief of Army Staff within hours of Zia's death, said Pakistan was passing through the most critical period of its history.

"We will have to make right decisions as there is no room for ill-planned steps in such difficult situations," he said.

Ishaq Khan, who as senate chairman assumed the presidency under the constitution, had said the armed forces chiefs supported his commitment to constitutional rule. But Beg's one-hour speech was the first direct confirmation.

#### Emergency

The Army chief said he had agreed to Ishaq Khan's declaration of emergency on Zia's sudden death so that no one could exploit the situation and harm the country.

The armed forces would continue this role till the elections and the establishment of an elected government, APP quoted him as saying. It was not clear whether this meant the state of emergency would remain in force until November.

A joint US-Pakistani team is investigating the plane crash, which Pakistani officials suspect was caused by a bomb, missile or technical sabotage. But no findings have yet been published officially.

#### Tehran sets ...

(Continued from Page 1)

(127-mile) Shatt Al Arab, Iraq's only access to the open sea. It made the median line the boundary for the whole length of the disputed area, granting Iran its claim to the eastern half of the waterway.

Meanwhile at the UN both Iran and Iraq accused each other of new ceasefire violations in letters to Perez de Cuellar.

The alleged incidents ranged from the killing of an Iraqi soldier on Aug 20 by Iranian gunfire to an Iranian complaint that Iraqi forces poured soil onto the Konjum-Cham road to Mehran on Aug 21, blocking access to Iranian military traffic.

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### Thousands rally in Rangoon to demand democracy

## Burmese regime near collapse

RANGOON, Aug 26, (Reuters): The daughter of Burma's national hero Aung San demanded today that the socialist government resign immediately, as the regime appeared near collapse.

But at a jubilant mass rally she also declared that discipline was essential to achieve democracy.

"Democracy can only be obtained in a peaceful and unified way," Aung San Suu Kyi, a rallying figure for the rampant opposition, told hundreds of thousands of people gathered on a slope beneath the gleaming golden Shwedagon Pagoda, Burma's holiest Buddhist shrine.

#### Referendum

It was a day of high emotion and confusion among the throngs sweeping the capital, with diplomats sensing a growing concern that the leaderless opposition could lose its way now that its goal of toppling the 26-year socialist state was within reach.

Aung San Suu Kyi, roared by a crowd waving banners and flags, said unity must be maintained between the people and the Army, which withdrew from the streets when martial law was lifted on Wednesday.

Heavy monsoon rains soaked

the crowds and many went home,

although thousands of others formed groups that danced and chanted their way through the old city's streets.

The demonstrators have risen up across the country of nearly 40 million people, defying threats and wild street shooting by the Army, to force two socialist leaders from power in the last month.

Diplomats said if the pressure was maintained on the lattered remains of Maung Maung's party and government, it would collapse. "I think it will go down," a Western ambassador said.

Diplomats, expecting a quiet weekend, said the lack of an obvious leader among the protesters was beginning to be felt.

"There is a weird and rather uneasy feeling in Rangoon. Many people have started to worry about the future," a Western diplomat said.

Residents said that now police and troops had been pulled out, there was concern about banditry and looting.

At Insein Prison, where 2,750 people detained during earlier protests were released, jailers shot several long-term criminal prisoners who rioted in one wing, diplomats said.

Local residents have set up neighbourhood committees to assume responsibility for security of each district.

#### Discipline

Students leaders lent their voices to calls for maintaining discipline as the government teeters on the brink and concern grew over a possible breakdown of services.

A Burma Airlines flight to Bangkok was cancelled and airline staff joined the demonstrators but it was not clear whether the airport itself was still functioning.

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Demonstrators shake hands with soldiers who emerged from behind wire barricades when the government lifted martial law in Rangoon. (Reuter wirephoto)

### Sad moment for an Iranian

GENEVA, Aug 26. (Reuters): The Iranian correspondent was close to tears as he watched the Gulf war peace negotiators take their seats eight metres away from each other.

"It's a sad moment. We fought for eight years and now we have to sit face to face and talk to these people," he said.

Peace hopes were tinged with bitterness as Iranian and Iraqi delegates filed into the old brass-and-marble UN council chamber decorated with symbolic gold and sepia murals.

The talks will be played out in front of scenes of victory and defeat, liberation and reconstruction, painted by Spanish Jose Maria Sert in 1936 in the high-ceilinged chamber first used as the seat of the council of the League of Nations.

### Diplomat to visit jailed Briton

LONDON, Aug 26. (Reuters): A British diplomat will be allowed to visit a Briton detained in Iran for almost three years, the Foreign Office said today.

David Reddaway, the first British diplomat to visit Tehran for a year, will see businessman Roger Cooper tomorrow in the city's Evin jail.

Cooper has been held in solitary confinement since he was detained on suspicion of spying in 1985.

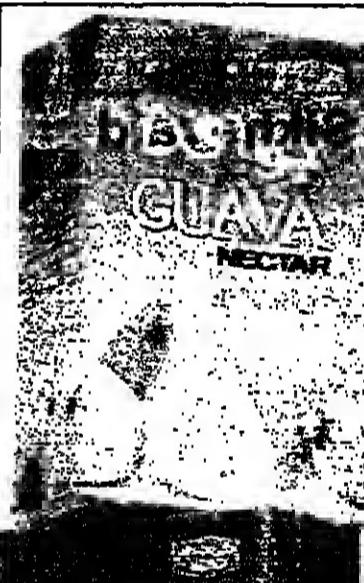
"The Iranian Foreign Ministry told Mr Reddaway he can see Mr Cooper tomorrow morning," a Foreign Office spokesman said.

### Villagers killed

COLOMBO, Aug 26. (Reuters): Suspected Tamil rebels hacked and beheaded 10 Sinhalese villagers in the jungles of eastern Sri Lanka, a police official said today.

He said police were led to the bodies by a villager who had escaped the killers.

The villagers, all men, had gone into the remote Marawela jungle in Amparai district to collect firewood when they were attacked yesterday.



### Lebanese Muslims stage protest strike

BEIRUT, Aug 26. (AP): Lebanese Muslims staged a general strike today in a campaign for more political power fuelled when Christian groups blocked the election of a pro-Syrian President.

Pro-Syrian Muslim leftist leaders called the stoppage which closed shops, offices, schools and most businesses in West Beirut and other Muslim and Druze areas around the country.

Syrian-held Christian areas in north Lebanon were also affected by the action, organised after Christian deputies failed to attend a parliamentary session due to elect a successor for President Amin Gemayel last week.

#### Abolition

The election was postponed indefinitely when Parliament failed to achieve a quorum of its 76 surviving members.

The pro-Syrian leaders accused the hardline Christian Lebanese Forces militia, the Army, the United States and Israel of sabotaging the poll, in which Syrian-backed Suleiman Franjich was the front-runner.

#### Sparked

They bought Lebanese pounds at \$10 to the dollar, compared with the official close of 398 yesterday which represented a nine per cent drop over one week.

The plunge was sparked by fears the political impasse over Gemayel's successor would spark fresh fighting.

If no consensus is reached before Gemayel's term ends on Sept 23, he would have the constitutional right to dissolve the cabinet now headed by a Sunni Muslim and form a transitional government headed by a Maronite Christian.

### Burundi seeks help after massacres

NAIROBI, Aug 26. (Reuters): The Martin Scorsese film, which has been playing to packed houses since mid-August in the United States, has been criticised as allegedly reinterpreting the Bible. In one scene, the crucified Jesus hallucinates about marrying prostitute Mary Magdalene and making love to her.

The earthquake that rocked parts of Nepal and India on Sunday killed at least 90 people, including seven in Bhaktapur.

Witnesses said Hyunju was beaten with umbrellas and sticks late yesterday afternoon and then dragged through the streets for nearly two hours before police intervened. He died at Bir Hospital in Kathmandu, 12 kilometres (7 miles) west of Bhaktapur.

Uttam Dhaubanjar, 28, a neighbour of the dead man, said he saw about 40 people rounded up by police last night.

Pashupati Rana, one of several cabinet ministers who walked with the funeral procession, said several people have been arrested on suspicion of murder.

"This is even more objectionable than the nudity and sexual scenes," he said. "Its combination of fiction and fantasy causes it to be a serious distortion of Christian truth."

The film's British distributor, United International Pictures, hope to distribute "The Last Temptation" to London cinemas by Sept 9.

The situation is rather confused," said one Western diplomat. "On one hand the president says everything is calm, but then there are other statements about pockets of resistance or people in hiding."

The Burundi authorities have accused Burundian emigres of provoking inter-tribal bloodshed earlier this month but refugees streaming out of the country have told stories of large-scale butchery by armed forces.

The Burundian government, requesting outside help after a bloodbath in which it says 5,000 people died, told of houses burned, crops destroyed and shortages of food, clothes, tents and medicine, the diplomat said.

The Foreign Affairs Ministry, in a circular to embassies in Bujumbura yesterday, said a three-month international effort was needed to help life get back to normal in the areas where the killings had occurred.

Another diplomatic source said discussions were going on among Western government representatives on the need for an impartial international observer team to visit the northern areas where the massacres had happened.

Belgian Foreign Affairs Minister Leo Tindemans called in the Burundian ambassador on Wednesday to press for international observers to be allowed in.

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Takeshita and his wife Nacko are entertained by hundreds of dancing and singing Chinese schoolchildren during welcome ceremonies in front of the Great Hall of the People in Beijing. (Reuter wirephoto)

## Deng calls for mutual trust with Japan

BEIJING, Aug 26. (Reuter): China's top leader Deng Xiaoping today called for a new relationship with Japan "based on mutual trust," as he met Japanese Prime Minister Noboru Takeshita in the Chinese capital.

During a short meeting at the Great Hall of the People, Deng told Takeshita he hoped for "a new type of relationship ... based on mutual trust," as China's official media played down past arguments between Beijing and Tokyo.

Deng said the new relationship should be "not lower" than that forged during the 1970's when the two nations established diplomatic ties.

The official People's Daily newspaper today printed an optimistic commentary emphasizing the growth of trade and other contacts between the two countries in the past 10 years.

"The road cannot always be smooth," it added. Relations between the two countries have been clouded by issues as varied as memories of the Japanese invasion in the 1930s, and current trade disputes.

The mild language contrasted with the stormy rows between Tokyo and Beijing in mid-1987

while Yasuhiro Nakasone was prime minister. Deng then asserted that Japan was entirely to blame for the tensions.

The official New China News Agency today reported without comment Japan's plans to increase its defense budget — a source of Chinese protests in the past.

Deng, although still regarded as China's most powerful figure, told Takeshita he was no longer as busy as party leader Zhao Ziyang and Premier Li Peng, and described himself as "one of those replaced" in the leadership last year.

**Loan**

Takeshita yesterday said Japan would give China a loan of \$10 billion yen (about \$6 billion) from 1990 to 1995.

The loan would be used to improve China's roads, telecommunications, sewage systems and power supplies.

According to Tokyo's figures, China has turned its once-burgeoning trade deficit with Japan into a \$500 million surplus in the first half of 1988.

The two sides are due to sign an investment protection treaty aimed at increasing what Beijing sees as lagging Japanese investment in China.

## Aquino accepts Marcos' return home

MANILA, Aug 26. (Reuter): Philippine President Corazon Aquino has accepted that Ferdinand Marcos, the man she drove from power two years ago, might eventually return from exile in Hawaii, her spokesman said today.

"She has accepted that," Teodoro Benigno said when asked by reporters if Aquino saw Marcos' return as inevitable.

Solicitor-general Francisco Chavez has said Marcos could be brought back to face criminal charges expected to be filed by the end of the year.

The President had earlier ruled out his returning, saying he could come back only if he turned over billions of dollars he allegedly stole from the country.

Benigno said she changed her mind a few months ago after Swiss courts said they could only help return money said to be stashed away in secret bank accounts if Philippine courts brought criminal charges against him.

Aquino, in a meeting today with government officials and congressmen, discussed how to protect "national interest" while observing Marcos' right to face trial in person, the spokesman said.

## Helicopters, gunboats shell camps in S. Lebanon

# Israel hits Palestinian bases

SIDON, Aug 26. (Reuter): Israeli air and naval forces attacked Palestinian military targets near the southern Lebanese port of Sidon on Thursday, wounding five Palestinians, police said.

They said three Israeli Cobra helicopter gunships fired several rockets at the Ain Al Hilweh Palestinian refugee camp, leveling bases of the Popular Front for the Liberation of Palestine (PFLP) and the Palestine Struggle Front (PSF).

The police said Israeli gunboats off the coast 40 km south of Beirut also fired on Ain Al Hilweh and Miye Miye settlements, which house some 80,000 Palestinians.

One rocket hit a Palestinian checkpoint at the edge of Ain Al Hilweh, wounding three guerrillas, they said, and two Palestinian civilians were hurt when a rocket slammed into their house.

Other rockets fell in olive groves surrounding Ain Al Hilweh and Miye Miye camps.

Black smoke billowed from the area as the helicopters thundered overhead, drawing fire from Palestinians armed with Soviet-made SAM-7 anti-aircraft missiles and heavy machine-guns, witnesses said.

In Tel Aviv, an Israeli Army spokesman said only aircraft took part in the attack, and not gunboats. He said the target was a Palestinian base.

In the nearby port of Tyre, Israeli patrol boats exchanged machine-gun fire with a small boat off the coast earlier on Thursday, the sources said.

They said the boat could have been carrying Palestinian guerrillas trying to infiltrate into Israel, but they had no further details.

### 14th strike

Security sources said the Israeli strike, the 14th in Lebanon this year and the second on Palestinian posts near Sidon this month, was apparently in retaliation for an attempt by Palestinian guerrillas to sneak into Israel from south Lebanon

last Friday. The three guerrillas, from the PFLP, were shot dead by Israeli troops.

On Aug 9 Israeli jets attacked Palestinian military positions in Miye Miye, killing two Palestinians and wounding 10 others.

Thursday's attack came one day after Israeli troops punched six km beyond their security zone in south Lebanon to attack Iranian Hezbollah militants.

Five Hezbollah members were injured and six Israelis were injured.

### Casualty

Hundreds of militants of Hezbollah gathered on Thursday to mourn their fighters killed by Israeli troops.

Witnesses said bearded gunmen in military fatigues carried the coffins draped with the green, red and white Iranian flag to a cemetery at the village of Sohmor in eastern Lebanon.

Turhaoed Hezbollah officials and Iranian revolutionary guard leaders headed the mourners, who vowed to avenge

## Mahathir suffers political setback

JOHOR BARU. (Reuter): Aug 26. Malaysian Prime Minister Mahathir Mohamad's setback in a by-election today could trigger a campaign to remove him from the embattled United Malays National Organisation (UMNO), political analysts said.

Mahathir's candidate, Haji Mas'ud Abdul Rahman, was routed in the poll in Johor Baru by former Welfare Minister Shahrir Abdul Samad, who had the backing of UMNO dissidents and the main opposition parties.

The outcome of the by-election is the first strong message to Mahathir that the people are not happy with his policies and are willing to identify themselves with his rivals," said political analyst Amhad Shahri Cheek.

Shahrir captured 23,581 votes against 10,968 for Rahman. The third candidate from the small People's Socialist Party netted 2,260 votes, officials said.

The analysts said it was the first major political setback for Mahathir, who until today had not backed a losing by-election candidate since becoming Prime Minister in 1981, and could lead to a string of other by-elections.

### First test

It was also the first major test for the 63-year-old leader who over the past 10 months has detained over 100 critics, clamped down on the media and had the country's top judge sacked for misconduct.

The poll in the capital of the southern state of Johore had been billed as a clash between two rival UMNO factions.

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## Sikhs raid train in Punjab

CHANDIGARH, Aug 26. (Reuter): Sikh separatists posing as plain clothes police boarded a passenger train in the north Indian state of Punjab yesterday, then left with a policeman, a militiaman and the three prisoners they were guarding.

Police said they first knew of the raid was when the three prisoners gave themselves up at the police station in Amritsar, the Sikh holy city.

The prisoners, who were taken to Amritsar to face trial, said they were freed after the militants discovered they were facing criminal charges and were not accused of terrorism.

The captured policeman also escaped, but there was no immediate word on the militiaman, police said.

They added that 12 militants boarded the train at a stop in a town, near Amritsar.

More than 1,700 people have been killed this year in the "militants" campaign for an independent Sikh homeland in Punjab.

## Tapes help patients to recover

LONDON, Aug 26. (Reuter): Patients recover better from surgery with the aid of reassuring tapes played while they are under anaesthetic, a medical journal said today.

In an 12-week experiment at St. Thomas's Hospital in London tapes saying the operation was going well were played to 39 hysterectomy patients to see how they responded, an article in The Lancet said.

Nurses said patients who heard the tapes made a better than expected recovery and left hospital sooner than those who heard blank tapes.

The 12-minute tapes advised patients how to cope after their operations and said: "You will not feel sick, you will not have any pain..."

Patients also heard comments from surgeons such as, "the operation seems to be going very well and the patient is fine."

## Afghan rebels lose control of Kunduz

KABUL, Aug 26. (UPI): Afghan guerrillas have captured provincial capitals in northeastern and central Afghanistan but lost control of the nearby town of Kunduz, Soviet sources and Western diplomats said yesterday.

Afghan officials also reported that a rocket that landed in Kabul yesterday killed two people, ending a five-day respite from attacks by rebels in the surrounding mountains.

A Western diplomat said heavy fighting had forced the Soviet-backed government forces to abandon Bamyan, but a Soviet source said the troops left in a peaceful withdrawal from the town of about 7,000 people a week ago.

"The rebels did not take it," the Soviet source said. "The Army left and they simply walked in."

A diplomat in Islamabad also said the rebels seized Taloqan, capital of northeastern Takhar province, more than two weeks

ago, about the same time as the fall of Kunduz.

A diplomat in Islamabad, quoting Afghan sources, confirmed reports said. Afghan troops had recaptured the capital of Kunduz province, but said,

"apparently no attempt has been made to retake Taloqan."

The guerrillas have temporarily taken a number of provincial capitals since the Soviet Union May 15 began a scheduled nine-month withdrawal of its more than 100,000 troops from Afghanistan.

In addition to Kunduz, Western diplomats say the resistance held Qalat, capital of southern Zabol province, for about four days in June, and Maidan Shahr, capital of Wardak some 24 km southwest of Kabul, for some 48 hours early last month.

The diplomats and resistance sources said the guerrillas were forced to withdraw from Qalat and Maidan Shahr by heavy Afghan and Soviet bombardment.

Diplomats Tuesday reported aircraft based in the Soviet Union conducted daily raids of Kunduz and Soviet military transport was used to take troops to the city.

**Today's Chevrolet** **CHEVROLET** **the Heartbeat of Kuwait**

## Kuwait's most loved car yesterday, today and tomorrow.

The Chevrolet Caprice was one of the first cars in Kuwait and quickly became very popular. While maintaining its traditional virtues the Caprice evolved through the years into today's "best-loved car".

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power steering, windows and locks are standard features. Tilt steering and 6-way power adjustable driver's seat mean fatigue-free driving in the long hauls.

Dependability, performance, prestige, comfort . . . the Caprice Few other cars offer as many qualities; that's why the Caprice enjoys such a high re-sale value.

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Come today to meet this great family of proven automobiles: Caprice Sedan, Caprice Classic, Classic Brougham and Brougham LS. The Brougham and LS are available with optional 350 CID Engine. Each and every model offers you the same benefit as the very first Caprice in Kuwait: Exceptional value for money.

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## Message sent to UN council

## Amir calls for independence of Namibia

UNITED NATIONS, Aug 26. (KUNA): Kuwait on Friday called on the international community to respect the will of the Namibian people to gain their inalienable right to self-determination and national independence.

In a message to the UN Council for Namibia, which is celebrating Namibia Day, HH the Amir of Kuwait asked: "Isn't it high time for the white man to realise the reality and respect the will of the people and their inalienable right to self-determination and national independence?"

## Comprehensive

However, there is some hope, in the ceasefire agreement reached in Geneva for a comprehensive settlement to the Namibian question on the basis of Security Council Resolution 435 of 1978,

he said. "We are looking forward to the independence of the Namibian people under the leadership of its legitimate and single representative, SWAPO," the Amir said in the message read by Kuwaiti Ambassador Mohamad Abulhassan.

The Amir said: "We hope we will not wait much longer to see the independence of another people who suffered like the Namibian people of injustice and repression, and that is the Palestinian people, whose children have fought with stones the denial of their rights to freedom and dignity."

## Efforts

"We wish all the success to the latest efforts of the UN to put an end to the Namibian tragedy and we hope the international com-



HH the Amir

munity continues its efforts to solve the problem of the Palestinian question at this time of inter-

national detente which promises the settlement of various regional conflicts that constitute a threat to peace and security in the world," the Amir said.

The Amir's message was also on behalf of the Organisation of the Islamic Conference. HH the Amir is president of the OIC.

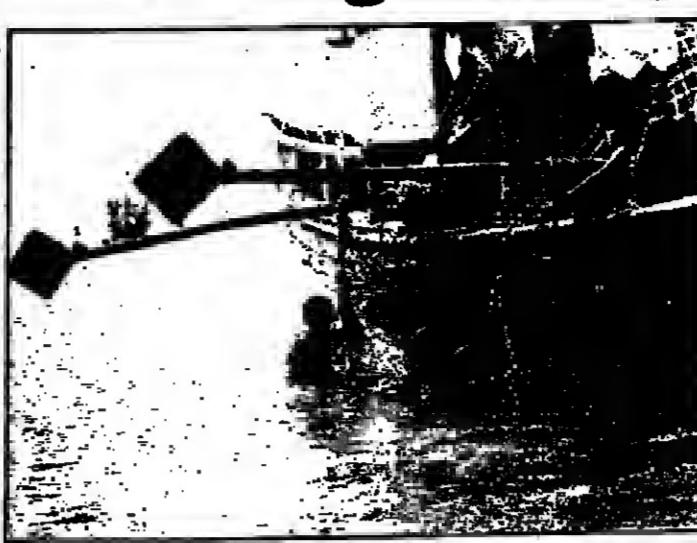
## Commitment

In his message to the council, UN Secretary-General Javier Perez de Cuellar said Namibia remains a matter of very special importance to the UN and one in which the commitment of the international community is total and unequivocal.

He urged all concerned to meet the aspirations of the people of Namibia and to enable the UN to proceed with the implementation of Security Council Resolution 435 (1978).

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## Reviving diving



Two young divers prepare to get on board. (Photo by Ahmed Rajab)

FOLLOWING the discovery of oil in Kuwait about four decades ago, citizens of the small Gulf state abandoned diving for pearls to make ends meet.

Only a few years ago, Kuwaitis began digging for their forgotten past. Pearl diving has greatly diminished with the death of most of the early pioneers and the luxuries of modern life.

In 1986, the Kuwait Sea Sports Club sponsored the first diving trip. Thirty youths participated for three grueling days crowned by success, and the stage was set for similar journeys.

## Backbone

In an interview, the supervisor of the diving trip, skipper Hassan Rajab, said that this year's event, which groups 108 youths and 13 vessels, is aimed at reviving the diving profession, the backbone of daily living in the old community.

With today's high standard of living, the youth tend to leave the past behind, he said. The diving trips are designed to close the generation gap.

Rajab said that participants began their journey on Aug 20 and are due back on Sept 2. The

young divers are camping at Al Khieran diving grounds, which can accommodate the small ships.

The divers are adapting well to the daily routine, which starts with an early breakfast and ends in the afternoon, he said.

Rajab expressed his thanks to HH the Amir and HH the Crown Prince Sheikh Saad Al Abdullah for the support to help Kuwaiti youth preserve their heritage.

Rajab, a man of the sea for the past 40 years, said that diving trips in the past were full of hardships and agony, due to the length of the journey and the yield of pearls.

In the past divers were given loans to secure the living of their families. The loans were repaid when divers received their share of the yield.

Saad Mohammed Al Twaini, one of the young participants, said his grandfather inspired him to join the trip to revive his heritage.

The 12-year-old apprentice said that despite the great effort he and his friends put in, he does not feel any boredom. The trip taught him patience, endurance and co-operation, he said.

## GCC states may share satellite services

KUWAIT and other Gulf states will raise the issue of setting up a regional system so members of the Gulf Co-operation Council can share telecommunication and satellite services, an official at the Communications Ministry said.

Sam Khalid Al Amer, director of monitoring, frequencies and wireless licences, told KUNA in an interview that the GCC countries would like to share telecommunication orbit through which satellite services can be transmitted to all GCC members.

## Eliminate

The system would reduce telecommunication costs and eliminate the need for ground stations in each country, he said.

The proposal will be tabled at a meeting in Geneva on Monday.

Al Amer said, The conference will last until Sept 7. Kuwait, which will be represented by a delegation headed by Al Amer, attaches special importance to the conference.

The second session of the World Administrative Conference for Radio and Fixed Satellite Orbits is entrusted with co-ordinating international use of wireless communication and remote sensing capabilities.

## Conference

The conference co-ordinates efforts with the International Telecommunication Union (ITU), an umbrella organisation of 100 countries using satellite and wireless communication.

Kuwait and the other GCC states participated in the first session of the conference in Geneva in 1985.

## video tapes, he said.

The Publications Law of 1961 established rules to govern issuing permits to video shops. The law states that all artistic works should not harm Islamic beliefs and must follow Kuwaiti laws.

The general director said piracy of video tapes is common in most Arab countries. The problem is being studied by an international conference which is trying to find ways to protect the industry, he said.

## Expand

The Ministry of Information does not protect tapes made outside Kuwait. Production companies must protect their productions, the director said.

Imported tapes are only censored by the department and are not protected from illegal copying.

The ministry is trying to expand their staff and cover more aspects in the video and music tape making industry, Al Adwani said.

## Five killed in accidents

three in Jabra.

In another public safety news, the Public Relations Department at the Interior Ministry warned parents about allowing children to swim in forbidden areas. Officials also told parents not to leave their children alone in swimming pools.

The warning came after several drownings this summer.

The young victims either did not know how to swim or were in areas with no lifeguards.

On Wednesday, a 6-year-old Indian girl drowned in a swimming pool in one of the societies.

Department officials said many families who visit beaches on Thursdays and Fridays leave children unattended.

## Video piracy harms entertainment industry

PIRACY of video tapes and music cassettes are a growing threat to the entertainment industry, despite efforts by the Ministry of Information to stop the illegal activity.

Statistics show that illegal copying of "tapes" brings big profits. In Egypt, pirates are earning twice as much money as narcotics dealers, according to police in Cairo.

## Suffering

Most Kuwaiti and Gulf production companies are suffering at the hands of pirates, the owner of a video and cassette tape production and distribution company said.

Other Arab countries, like Iraq, Jordan and Syria are facing similar piracy problems.

Several Egyptian production companies prevent the distribution of Kuwaiti productions, and this only encourages pirates.

There are no laws to protect Kuwaiti material.

The pirates are getting better

at making the illegal copies, and it is becoming more difficult to tell which tapes are genuine, original productions and which are copied, he said.

The owner said the Ministry of Information should quickly issue laws to protect the taping industry and other Arab states should enforce similar laws.

The ministry should also urge radio stations not to broadcast songs without the permission of producers, he added. He said those measures would help the development of the music industry.

The increasing number of recording and video tape stores is only making matters worse, said the owner of another production and distribution company.

Genuine copies bearing trademarks are now threatened by many recording shops which either copy or sell tapes to the public illegally, he said.

The shop owner said agents and producers of Arab singers

and producers of Arab singers

## Governors will be given more power

Prince and Prime Minister, Sheikh Ali Sabah Al Salem Al Sabah, said yesterday that amendments to be introduced to the present governors' law will give more power to governors, members of the governors' councils and councils of mukhtars (mayors).

In an interview with KUNA, Sheikh Ali said that the country is free of organised crime and attributed this to the efficiency of the security forces, the co-operation of the public and the attitude of authorities.

Infiltration and smuggling via sea routes has completely stopped, thanks to effective supervision by the Coast Guards, he said.

## Established

He also announced that the Ahmadi governorate recently established a special department to protect oil installations.

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## Five killed in accidents

FIVE people died on Thursday in traffic accidents in Kuwait.

One man was killed when his car collided with a parked car in Farwaniya.

In another accident, a driver was killed when two cars collided and overturned in the Ahmadi governorate.

In a separate accident, the driver of a car died when it overturned on Nuwaisceeb road.

In another accident Thursday, two front seat passengers in different cars were killed when two cars collided on Jabra road.

There were 15 traffic accidents on Thursday. Three of them occurred in the capital, two were in Hawalli, seven in Ahmadi and

one in Jabra.

In another public safety news, the Public Relations Department at the Interior Ministry warned parents about allowing children to swim in forbidden areas. Officials also told parents not to leave their children alone in swimming pools.

The warning came after several drownings this summer.

The young victims either did not know how to swim or were in areas with no lifeguards.

On Wednesday, a 6-year-old Indian girl drowned in a swimming pool in one of the societies.

Department officials said many families who visit beaches on Thursdays and Fridays leave children unattended.

The ministry is trying to expand their staff and cover more aspects in the video and music tape making industry, Al Adwani said.

Three in Jabra.

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## EVENTS

Messy organisation spoils show

### Malayalees celebrate Onam

THE Kuwait Malayalee Onam Celebration Committee celebrated Onam, the national festival of Kerala, at the Indian Embassy Auditorium on Friday morning. Onam marks the annual visit to earth of the legendary king Mahabali, who was sent to the underworld by the jealous gods. Even he would have been impressed by the performances, which ranged from classical Mohiniyattam and tableaux portraying the original Onam story to instrumental music from Hare Rama Hare Krishna.

The students of the Kalasadan School of Indian Classical Dances proved themselves to be able artistes, despite the limited space on stage during the Bharata Natyam and the Vallamkali. The young instrumentalists of the Do-Re-Mei band came across as confident musicians as they strummed and drummed out a couple of popular film tunes.

The audience seemed to appreciate the hard work and effort that must have gone into the show and clapped and whistled enthusiastically despite the heat and stuffiness. Overall organisation was, however, somewhat messy, especially considering the committee in charge of the event was formed solely to arrange the programme.

The show began a half-hour late, a possible cause perhaps the last minute panic that arose



Vamanan sends the legendary king Mahabali down into the underworld, as depicted in a tableau by Rajan and Rajeesha.

when the authorities in charge realised that there were no seats for the chief guests. A new row was set up, less than a metre away from the stage. The more prudent guests opted for the second row but even they were not spared the ear-piercing decibels emitted by the excessive loudspeakers.

The 'backstage' announcers



Participants in the flower show. (Photos by Jamal)



Vallamkali, performed by students of the Kalasadan School of Indian Classical Dances.

ES

**SUNDAY**  
6:00 Holy Quran  
6:10 Headscuff: cartoons  
6:30 3-2-1 Contact: a programme on various types of primitive and developed means of naval communications  
7:00 Understanding Islam: weekly talk on Muslim philosophy presented by Arfa Al Ashi  
7:30 Valerie: "Roots of Evil." David tries to take the pocket money of his younger brothers to buy a car.  
8:00 News in English  
8:30 The Flying Doctors: "Forgiveness." A woman fears the worst when she sees a stranger near her home in the wilderness.  
9:30 My Two Dads: "Friends and Lovers." Nicolle blames herself for the rift between Michael and his girlfriend.  
10:00 Hillary's Adventures: documentary  
10:30 Bestseller: "Home Fires." The story of an attorney whose life is in disarray.  
11:30 News summary/Magazine d'Actualite/Closedown

**MONDAY**  
6:00 Holy Quran  
6:10 Galtar: cartoons  
6:30 The Craft of the Weaver: "Cloth." Geraldine examines a range of colours kafan.  
7:00 Roving Report: weekly roundup of world news and regional events.  
7:30 Charles-in-Charge: "Discipline." Charles is concerned about low grades obtained by Stan's children.  
8:00 News in English  
8:30 Miami Vice: "Down for the Count." The squad

### TV CORNER

#### This week on KTV 2

investigate mob violence in the ring after several boxers are deliberately hurt by gangsters.  
9:30 Private Benjamin: "Judy in the Driver's Seat." Judy heads a dangerous mission in the forest and misleads the team.  
10:00 Alfred Hitchcock Presents: "Animal Lover," the story of a girl who is fond of pets.  
10:30 The Equalizer: "Encounter in a Closed-Room." A Czech scientist, wanted by two governments, seeks McCalls help to defect to a friendly country. Starring: Edward Woodward.  
11:30 News summary/Magazine d'Actualite/Closedown

**TUESDAY**  
6:00 Holy Quran  
6:10 Rubick: cartoons  
6:30 Chocky: another exciting adventure with Chocky in the lead.  
7:00 Australian Ark: "In Search of the Great White Shark." A look at the myth and reality about white sharks.  
8:00 News in English  
8:30 You and the Law  
8:40 Magnum: "Pleasure Principle." Magnum fights the appearance of "Mac."  
9:30 Les Faucheurs de Marguerites: French series

with Arabic subtitles. Edward settles in Lyon with his wife and son.  
10:00 Perfect Strangers: "Snow Way to Treat." Bally and Larry go on a skiing holiday with their girlfriends. Comedy.  
10:30 B/W Feature Film: "Come On, George," starring George Formby, Pat Kirkwood, Jose Ambler, 1939 production about a stableboy who rides his pet horse to victory in a prestigious race.  
11:30 News summary/Magazine d'Actualite/Closedown

**WEDNESDAY**  
6:00 Holy Quran  
6:10 The Mouse Factory  
6:30 The Kids of Dragoon Street: a series for young viewers.  
7:00 Managing the Micro  
7:30 Growing Pains: "Broadway Bound." Michael and his girlfriend audition for a Broadway play.  
8:00 News in English  
8:30 O'Hara: "Open Season." Todd's life is in danger; O'Hara is asked

to protect him.  
9:30 Wildlife on One: "Kingdom of Crabs." Millions of crabs live on an island in the Pacific, considered to be the kingdom of crabs.  
10:00 Sledge Hammer: Sledge Rattles and Rolls." The death of a rock singer is followed by three more killings. Hammer investigates the case.  
10:30 L.A. Law: the lawyers deal with several new cases.  
11:30 News summary/Magazine d'Actualite/Closedown

**THURSDAY**  
6:00 Holy Quran  
6:10 Biopic - Six: cartoon series  
6:30 Sesame Street: scientific, educational and recreational programme for children.

7:30 Full House: "Our Very First Promo." The family takes on the responsibility of making a film.  
8:00 News in English  
8:40 High Mountain Rangers: "A Holy Place to Live." Several campers are trapped after an earthquake in southern Idaho and the rangers form a rescue team.  
9:30 I Married Doris: "Where There's a Will." Peter's unfounded fears of death cause concern

among the family members.  
10:00 The Hit Squad: practical jokes, intrigues and sneaky hits captured through the hidden camera.  
10:30 Late Night Movie: "Missing Children: A Mother's Story." Starring: Marie Wainwright, Polly Holliday.  
12:00 News summary/Magazine d'Actualite/Closedown

**FRIDAY**  
2:00 Holy Quran  
2:10 Cartoons  
2:30 Sports Studio  
6:00 Foo Fur: cartoons  
6:30 Walt Disney Film

7:30 The Bay City Rollers Show: songs, humorous discussions and a short story for children.  
8:00 News in English  
8:30 Summer '88

8:40 Once a Hero: pilot episode of new series about the tug of war between good and evil revolving around Captain Justice who fights Black Jack.  
9:30 227: Sandra's mother pays an unexpected visit. Comedy.

10:00 Guinness Records

10:30 Tour of Duty: "Brothers, Fathers." A look at the problem of orphans.

11:30 News summary/Magazine d'Actualite/Closedown

### WHAT'S ON

#### ARTS

##### Kuwait Science Museum

The museum will be open to the public every evening from 5 pm and from 9 am on Friday.

Islamic Arts Museum.

The museum, located on Arab Gulf Street, is open from 8:30 am to 12:30 noon and 4:30 to 7:30 pm, Saturday to Thursday. A collection of the Queen of Queens, Top Ranks and Stepping Stones will be in attendance. For reservations, contact J D'Sa at 2450279, 3981790, 3924659.

Tareq Rajab Museum.

The museum in Jahriya houses a collection of Islamic arts, costumes and jewellery from the Muslim world. Summer timings are 9 am to 12 noon and 4 to 7 pm, Sat. thru Thurs. On Friday the museum is open only in the mornings.

#### FILMS

##### British Council

The Assam Garden, the story of the relationship between a British and an Indian woman, stars Deborah Kerr and Madhur Jaffrey. It will be shown on Saturday, Aug 27 and Sunday, Aug 28 at 6:30 pm. Admission free. It is advisable to reserve seats in advance. Tel: 2515512; 2533204.

#### SOCIAL

##### Welcome Back to Kuwait

The Sounds Great organisation will hold a "Welcome Back to Kuwait" party at the Maysilah Beach hotel on Sept 29 at 8 pm. The Sounds Great bands will be in attendance. For table reservations, ring Ken Winston or Adolf 5740256/7 or 5758870.

##### Country Western Musical

The American Community Theatre is rounding up singers, dancers and musicians for their

### TELEVISION PROGRAMMES

#### KTV 1

##### 9:00 Holy Quran

9:15 Good Morning  
9:30 Space Adventures: cartoon serial

10:15 8 Harat Al Bahar: daily serial; ep.2

11:00 News Summary followed by songs and music.

11:15 Bin Saleh Yureed Halan: local serial

12:15 Alif Ba'a Al Matbah: a programme on Arabic cooking

1:00 News Summary

1:05 World News via Satellite

2:00 Songs and Music

2:35 Auras, Al Dalaiyah: episode 4 of Arabic series

3:35 Heidi: cartoons

4:15 Hikayat Al Ayyam Al Assehah: last episode of weekly Arabic serial.

6:00 Cultural Film

7:00 Noor Al Islam: religious serial

7:30 Nazrat Al Alam

8:00 Musical Interlude

8:30 Hamat Al Watan

9:00 News in Arabic  
9:50 Al Saqiyah Tadawar: episode 8 of Arabic series

10:50 Duniya Madhak Mubki: "Souk Al Dalaeen." Starring: Tawfiq Al Saadi, Salim Kalas, Hani Al Ruman, Samiya Jazairi.

11:45 News Summary

11:50 World News via Satellite

12:25 Holy Quran/Closedown

#### KTV 2

##### 6:00 Holy Quran

6:10 Duck Tales: "Horse Scouts"

6:30 God's Wonderful Railway: "Fire on the Line" Part 3.

Andy, who lives and breathes railway life, goes to war.

7:00 World of Survival:

"The Forest that Goes to Sea." Plants that grow in seabeds.

7:30 ALF: "Someone to Watch Over Me."

After a break-in at a neighbour's house, everyone in the neighbourhood is asked to watch out for robbers.

8:00 News in English  
8:30 Simon and Simon: "Forever Hold Your Piece." Arnie, separated from his wife, is suspected of murdering his ex-wife's boyfriend.

9:30 Beyond 2000: a look at the products of modern technology. tonight's episode examines motorcars operating on solar energy; sailboats and new devices for exploiting natural resources in Siberia.

10:30 TV Movie: "Dead on Arrival."

11:30 News Summary/Magazine d'Actualite/Closedown

Please note that programmes and timings are liable to change without notice.

#### At the Ramada

Al Bendir coffee shop offers continental and Arabic buffets for breakfast, lunch and dinner from 6 am to midnight, à la carte available.

Al Gandour Grill Garden: open 7 pm to midnight, features a selection of grilled specialties. The Open Garden has selection of teas, coffees, and juices; Argilla water pipe available; videos shown on large screen every day. Open from 7 pm to 11 pm daily.

Take away counter, open daily 4 to 11 pm, offers a selection of Arabic sandwiches and snacks, from 4 pm to 11 pm daily.

#### SPORTS

##### IVth Winners Cup

The YMCA will present the "Come September Ball" at the Kuwait Sheraton Hotel on September 1 at 8:30 pm. Highlights include the selection of the Queen of Queens, Top Ranks and Stepping Stones will be in attendance. For reservations, contact J D'Sa at 2450279, 3981790, 3924659.

Varqa Sporting Centre.

Varqa Sporting Centre will hold their third annual social evening at the Tent SAS hotel on Sept. 22 at 8:00 pm. Music will be provided by Top Ranks and Stepping Stones. For reservations and further details, contact Roland 2430581 or James 5331940.

Indian Ballet.

Narthana, a dance troupeled by Mohiniyattam exponent Prameela Surendran, will stage a ballet, Pancavati, and a number of Nrithasilpas at its annual show, Nrithasilpas, at the Indian Arts Circle, on Sept 22 at 7:00 pm. Admission will be strictly limited; for free passes, contact Prameela 4337608. Sounds Great.

Auditions will be held on Sept 15-17 for singers and dancers for the next Sounds Great show, to be held at the Salimiyah cinema on Oct 19-22. For details ring Ken Winston or Adolf 5740256/7 or 5758870.

#### HOTELS

##### At the Holiday Inn

Al Ahmadi Coffee Shop offers international buffet meals at lunch and dinner from 6 am to 1 am; à la carte also available. Fresh pastries and cakes can be bought every day at the Vietnamese Cafe. The Hanging Babylon Gardens are an ideal place to relax with friends.

Salicate United

The Salicate United Sports Centre will hold their third annual Gold Cup Football Tournament starting Sept 9. Those interested may contact Peter 2434413 or Mariano 4744150 after 5 pm, before Sept 1. The draw will be held on Sept 2 at 9 am, at the Phoenicia hotel.

##### Boy's Own Club

Boy's Own Club will organise a seven-a-side one-day football festival on the holiday declared to mark the Prophet's birthday (Oct 22/23). Interested teams can contact Milagres 3967446 or Joe D'Souza 4813622.

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Starring Carol Wades  
**Al Salmiya**  
Roller Boogie  
Starring Linda Blair  
**Al Hamra**  
Al Fulous Wal Wahoosh (Arabic)  
Starring: Mohammad Subhi, Madha Kamal  
Drive-in  
**Al Kamasha (Arabic)**  
Starring: Mahmood Yassin, Bosi, Shweikar  
**Al Firdous**  
Qurbani (Hindi)  
Starring: Feroz Khan, Zeenat Aman  
Fahsheej Open-Air  
Ram Balram (Hindi)  
**Al Fahsheej**  
Ittha Samayamai (Malayalam)

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# ARAB TIMES

## Thought for today

THE emotions may be endless. The more we express them, the more we may have to express them — E.M. Forster, English novelist (1879-1970)

## Argentina seeks to boost arms sales

By Ed McCullough

BUENOS AIRES, Argentina (AP): Better known for its grain and beef, Argentina also produces jets and tanks, and it hopes exports of weapons will contribute to repaying a foreign debt that is third highest in the developing world.

Arms sales have already topped \$75 million one year, but that is only a fraction of what this primarily agricultural nation could earn if the United States decides to buy a jet trainer called the Pampa, or Ecuador goes ahead with its purchase of Tam medium.

An intermediate-range rocket is being developed with financial aid from Egypt and conventional submarines with technical assistance from West Germany. Negotiations are under way with an Italian company to co-produce military helicopters.

"We're not trying to convert ourselves into a huge exporter of weapons," Jose Maria Llados, secretary of production at the Ministry of Defence, said in an interview. "What we're trying to do is ... take advantage of our existing industrial capacity."

**Produce**

Argentina has produced artillery and munitions for decades, mostly for its own armed forces of 95,000 troops. The big projects — drone aircraft, submarines, jets, tanks, rockets — were begun by the military governments of the 1970s and early 1980s.

Following Argentina's defeat by Britain in the 1982 Falklands war, and the election of civilian President Raúl Alfonsín in October 1983, the military budget has been halved to about \$1.5 billion. Funding for weapons projects has dried up.

"With the industries in place, we had three choices: close them, export, or convert them" to civilian use, Llados said. "The preference ... was to export. We have a big foreign debt. We have to export in order to pay it."

Argentina owes \$56 billion to foreign governments, banks and other lending institutions. Interest alone, which this year will total about \$4.6 billion, is a burden to repay.

About 30,000 civilians and soldiers are employed by Fabricaciones Militares (Military Works), which is run by the Army and produces weapons as well as consumer products. Total value of goods produced by

FM last year was between \$900 million and \$1 billion, Llados said.

Argentina's edge in arms sales is that it can — because of its technical infrastructure, educated work force and low wages in comparison with developed countries — produce relatively sophisticated weapons at a low cost.

### Sales

The package of 56 medium tanks and 18 armoured personnel carriers the Ecuador is considering buying is priced at about \$108 million, Llados said.

The single-engine, two-seater IA-63 Pampa jet trainer costs about \$3.5 million. "It's a lot of plane for the money," a US embassy official said. "We are interested."

The US Air Force is seeking to replace its T-37 jet trainers that date back 30 years. The potential multi-billion-dollar contract, avidly sought by several countries including NATO allies Italy and Belgium, could call for more than 500 planes.

Last week, representatives of New York-based Grumman Corp. met with officials of the Argentine Aerospace Material Factory to test the Pampa. If chosen by the US Air Force, it would be built in the United States under a licensing agreement.

### Parts

Argentina can produce only three or four Pampas a month. US parts, including the engine and avionics systems, comprise more than half the value of the plane.

Two prototypes will accompany Defence Minister Horacio Jaurena on his trip to Washington next month for talks with Defense Secretary Frank Cuccia. A purchase decision was made by the US Air Force.

"The preference ... was to export. We have a big foreign debt. We have to export in order to pay it."

Hong Kong owes \$56 billion to foreign governments, banks and other lending institutions. Interest alone, which this year will total about \$4.6 billion, is a burden to repay.

About 30,000 civilians and soldiers are employed by Fabricaciones Militares (Military Works), which is run by the Army and produces weapons as well as consumer products. Total value of goods produced by

## IRA attacks toughen Thatcher stance

By Al Webb

LONDON, (UPI): Prime Minister Margaret Thatcher remains true to her favourite saying about her — "The lady's not for turning" — and that means Britain's war with the Irish Republican Army is likely to become even bloodier after the weekend killing of eight British soldiers in Ulster.

The phrase, a takeoff on the play "The Lady's Not for Turning" by British playwright Christopher Fry about a heroine who is charged with being a witch, was coined by a political pundit to emphasize Thatcher's unwillingness to change policies.

Thatcher's unswerving policy is her unrelenting opposition to terrorism, and at the top of her list of terrorists are IRA guerrillas. Nobody expects Thatcher to back off Britain's commitment to battle IRA efforts to unite British-run Northern Ireland with the Irish Republic by force.

Instead, military and security experts believe an urgent government policy review after the latest killings will focus on a tactic that may well strike fear into the IRA: sharply increased use of Britain's Strategic Air Services.

### Security

The SAS, shrouded in secrecy, consists of crack teams of anti-terrorism warriors, experts in covert hit-and-run tactics, not necessarily all within the letter of the law.

The IRA knows what the group can do. On May 8, 1987, the SAS ambushed guerrillas attacking the Loughgall police station in Northern Ireland and killed eight of them, a setback from which the IRA is still trying to recover.

Last March, the SAS sent another reminder, this time in Gibraltar where its operatives killed three IRA guerrillas who

## Bhutto's ghost lives on

By John Merritt

KARACHI: The 1988 Karachi telephone directory gives the number of a ghost. The entry reads: 'Bhutto, Z.A., Late, No. 70 Clifton.'

It is the spirit of the people will vote for if a general election goes ahead in Pakistan after the death of President Zia. The spectre is tangible in the form of a glamorous 35-year-old woman who skillfully hides six months' pregnancy behind chiffon wraps.

Benazir Bhutto, leader in waiting, holds court to a stream of applicants from her Pakistan People's Party (237 candidates must be chosen), as well as supplicants from the other opposition parties. The neighbouring nineteenth century colonial residences now house the foreign consuls — and it is said that the Germans and Iranians lease their properties from her family.

Her name has not been added to the dynastic brass plaques at the gates. One of these proclaims: 'Zulfikar Ali Bhutto, Barrister-

## Benazir waits in the wings



left then for Pakistan.

Now, therefore, seems the right time to ask what her first aims would be if she were elected to govern the nation. An answer is recited like a catechism.

"The question of federalism and national identity. The question of the constitution and the rule of law. The question of social and economic justice, on the basis of an order that is free of discrimination."

Benazir histrionics at a suggestion that these are mere slogans. She promises to elaborate, if necessary, but her time is short.

A charge that her party's main policy was its opposition to Zia is also countered with rapid, repetitive fire: "The party was in being before General Zia ever came to power. The party is in being today as the only alternative. That is because the party has a very solid programme. We stand for federal, democratic and

egalitarian Pakistan. These are not slogans. These are statements which capture in a nutshell the principles of a party."

"We have policies on each and every issue. We stand for order which is free of discrimination. We have policies on each and every issue. We stand for order which is free of exploitation. We have always been identified and associated with those segments of society which are economically weak or which are socially weak. We have always stood for the rule of law, for fundamental human rights, for the independent judiciary."

**Dodges**

She dodges the issue of national identity in the context of her country's special relationship with the United States. She claims that, in the past, her party has been torn by her open American overtures, she dismisses as "propaganda." She is still haunted by Henry Kissinger's threat in 1976, when he told her

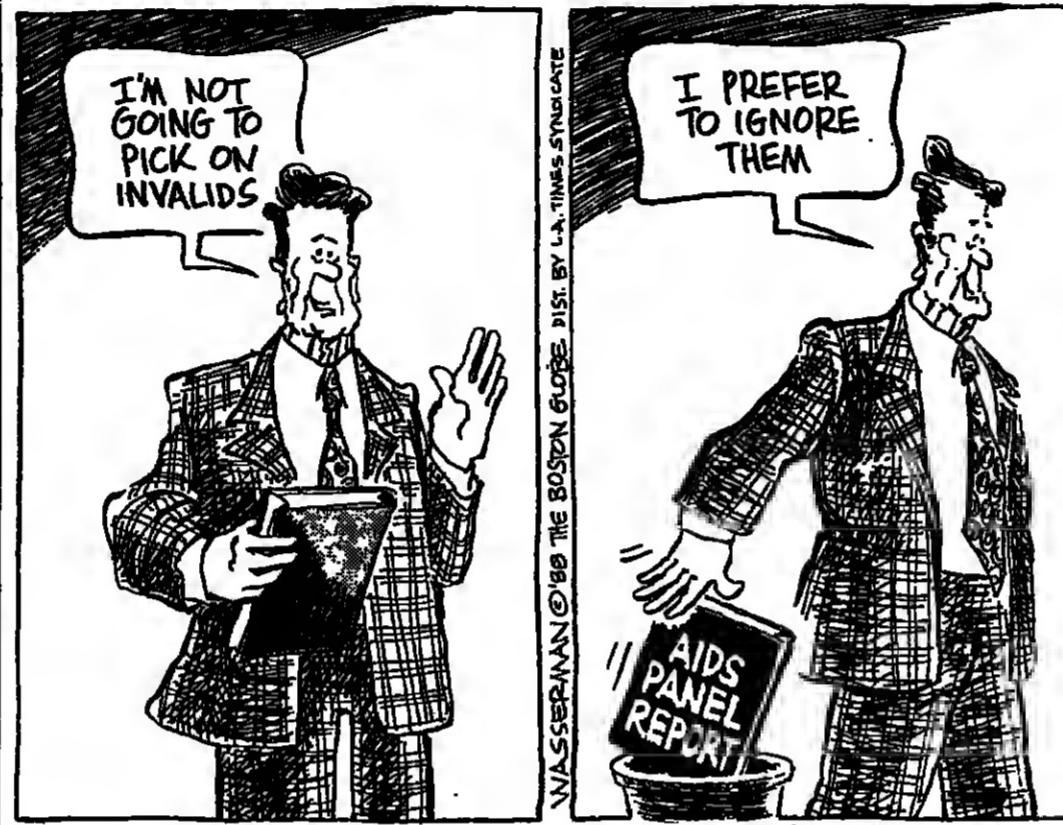
father: "We can destabilise your government and make a terrible example out of you."

Some of those close to her speak of the role of the US Ambassador, Arnold Raphel, killed in the crash with Zia. As senior political officer at the US Embassy in Islamabad in 1977, he is widely held to have played a big part in orchestrating the "Bhutto must go" climate before the military coup that brought Zia to power in July of that year.

Quite recently, Benazir has confided to friends that the same Arnold Raphel had told her to be patient, saying that she would have power if she didn't make any trouble.

One of her first engagements, after Zia's death was a 40-minute visit to the US Consulate in Karachi. As one of her party faithful said: "She knows she must have US support. The country knows that. You can be a hard stick and you will break, but if you are a bending stick you will survive. Benazir is a bending stick."

Courtesy: The Observer



## Refugees in Hong Kong battling frustration

By Ann Scott Tyson

HONG KONG: On a starless night in April, Bui Hoan Bao and his family set sail for Hong Kong on a 24-foot wooden fishing boat, fleeing a life of poverty and forced migration in north Vietnam.

Bao piloted the single-masted sailboat along China's coast, anchoring at the port of Beihai for supplies of food and water, bought with gold.

After a 27-day ordeal at sea, the family of 18 sighted the jutting skyline of Hong Kong, longed for by tens of thousands of hopeful boat people as the first sanctuary on their passage to a Western democracy.

Bao is one of more than 12,000 Vietnamese to land in Hong Kong this year in the largest influx of boat people from Vietnam since 1979. Like many, Bao left a homeland where 10 million people are experiencing famine to secure his family's livelihood.

The communist government ordered everyone in our village to move to another province to farm," Bao said. "They destroyed my house. I could not fish in the sea anymore ... I wanted to take my children and grandchildren and find a life of freedom."

**Frustration**

Yet far from winning freedom, Bao and others like him are battling frustration and despair. Crammed together with thousands of countrymen, Bao now lives in a prison-like Hong Kong refugee camp encircled by high walls and barbed wire. He has become, in Hong Kong parlance, one of the "forgotten people."

The new wave of boat people, which shows no signs of subsiding, has filled the colony's closed camps to the bursting point, compelling the government to open factory buildings, warehouses, Army barracks, and ferries as emergency housing.

But according to Hong Kong officials, the vast majority of arrivals, 70 per cent of whom are poor fishermen and farmers from North Vietnam like Bao, have virtually no hope for resettlement in the West.

The United States, Britain, Canada and Australia, the main resettlement countries, increasingly reject these Vietnamese, on the grounds that they are economic migrants seeking prosperity rather than political refugees fleeing persecution.

When the number of boat people landing in Hong Kong and other first-asylum countries surged 44 per cent in the last year, the rate of resettlement in the

relocation campaign "amounts to very, very serious discrimination" against them. "It amounts to persecution," he said.

Ethnic Chinese and refugees linked to the former US-backed South Vietnamese regime have been favoured for resettlement, because they have suffered systematic persecution since the Vietnam war ended in 1975.

"We have to ensure that any measures they take are not to the detriment of the asylum seekers," Karim stressed.

Confronted with the daily arrival of scores of boat people who lack prospects for resettlement, Hong Kong on June 16 adopted a new hard-line policy under which the bulk of incoming Vietnamese will face eventual deportation to Vietnam.

Hong Kong's policy reflects a growing consensus among southeast Asian countries harbouring refugees, as well as resettlement nations such as the US, that most of the boat people belong back home.

The new policy ends nearly a decade during which Hong Kong automatically granted refugee status to all Vietnamese boat people under a 1979 Geneva accord. Instead, Hong Kong now screens all boat people in order to separate economic migrants from political refugees.

According to government estimates, 90 per cent of the boat people who have reached Hong Kong since June 16 — more than 4,500 — are economic migrants. As such they will be treated as "illegal immigrants" and confined to detention centres to await repatriation.

Hong Kong's refugee coordinator, Nigel French, says the screening policy is necessary to discourage Vietnam's economic migrants from coming to the British colony, already one of the world's most densely populated territories.

"We just could not allow this situation to continue, with an apparently unlimited supply of boat people coming from Vietnam who the West simply did not want anything to do with," French said in an interview.

"Why, after some people struggle in the sea to come here, does the Hong Kong government have to send them back to Vietnam?" asked Do Manh Hao, a North Vietnamese farmer.

Squatting on a cramped wooden bunk in Hong Kong's Shamshui Po closed camp, Hao described how Vietnamese soldiers opened fire as he fled the country in a stolen boat with his wife and three children. "If we had been caught, they would have jailed me," he said.

The Christian Science Monitor News Service

(S13) is enough to persuade police not to report minor traffic offences. One motorcyclist caught riding while drunk said he avoided 15-day prison term by handing over 400 high-class cigarettes and two bottles of rice wine.

"Corruption is not such a bad thing. I'm glad I had the choice of paying a bribe," the motorcyclist said later.

The China Daily said on Monday that the corruption could block the country's ambitious economic reforms. Student protesters in June claimed it had plunged the country into its darkest period since 1949.

The 47-million-strong Communist Party expelled 109,000 of its members in 1987, many of them for bribery and corruption, according to official reports.

Perhaps millions more officials who would balk at the word "bribe" regularly accept gifts in return for a little political favour.

When you give presents, you have to do it in the right way.

**Cost of bribery soaring in China**

Give money, wine or cigarettes openly to an official and he will refuse, suspecting that you will report him," one Beijing government worker explained.

"The correct way is to give the item, nicely wrapped, to his wife or child," he added.

### Treatment

Such petty graft or "connection-pulling" is so ingrained in Chinese life that the powerful can expect privileged treatment without asking, said one young Beijing man whose uncle is a high-ranking government figure.

"When I travel around China I just let people know who I am and everyone scrambles to do me favours," he said.

Outrageous greed is occasionally harshly punished — an official in the southern province of Guangxi was executed last week for classifying 177 imported cars as "gifts" to evade import duties. But China's regular anti-corruption campaigns rarely seem to touch the highest officials.

## TODAY IN HISTORY

- 1640 — Flemish forces under Count Tilly defeat Denmark's King Christian IV at Lutzen, East Germany, placing all north Germany at mercy of Catholic League.
- 1758 — Russian troops withdraw after indecisive battle with Prussians at Zorndorf, Poland.
- 1789 — French National Assembly adopts Declaration of the Rights of Man.
- 1828 — Uruguay is formally proclaimed independent at preliminary peace talks between Brazil and Argentina.
- 1891 — France and Russia sign an entente.
- 1928 — Kellogg-Briand Pact is signed in Paris, outlawing war and providing for peaceful settlement of disputes.
- 1939 — Nazi Germany demands Danzig and the Polish corridor.
- 1943 — Japanese forces evacuate New Georgia island in the Pacific in World War II.
- 1945 — US troops begin landing in Japan at end of World War II.
- 1966 — French President Charles de Gaulle arrives in Ethiopia from Somalia, where his visit was marred by bloody rioting.
- 1969 — Israeli commando forces penetrate deep into Egyptian territory to stage mortar attack on regional Army headquarters in Nile Valley of Upper Egypt.
- 1971 — Attempted coup fails in African nation of Chad, and breaks diplomatic relations.
- 1972 — US jets bomb Haiphong, North Vietnam's major port.
- 1985 — Nigerian officers announce military coup d'état, and a town councilor is hacked to death in worst riots in more than a year in a black township in South Africa.
- 1987 — Hundreds of strikers battle riot police in at least two South Korean cities.

Arab Times

# The more flattered I am

## Unrepentant destroyer of Picasso

By Catherine Bennett

ARIANNA Stassinopoulos once experienced all the sensations of a lover towards Pablo Picasso. She allowed herself to be seduced by him, "by that mysterious quality of inexpressibility bursting forth from the transfixing stare of his black-marble eyes as much as from his work."

No matter that Picasso has been dead these 15 years; Stassinopoulos says it was "important to go through all the stages."

And seduction led, ineluctably, to disillusion. She found out that her dead paramour had behaved badly toward her predecessors, his real wives and mistresses.

He had knocked one out, even stubbed out a cigarette on one of their faces. "Gradually I began to build this picture of a very, very distorted personality — obviously I was affected by that," she says.

## Idea

Now the six-year Picasso-Stassinopoulos affair has ended with the publication of *Picasso: Creator and Destroyer*, she has become Mrs Stassinopoulos Huntington and the best thing she can feel about Pablo is "empathy ... I could have ended the book feeling here was a pathetic man, but I ended the book feeling here was a tragic man — and for me the definition of tragedy is that

here was a man who had been born with the most extraordinary gift, and really wasted it — and he knew that."

This is not, evidently, the received idea about Picasso, and art critics have hailed Stassinopoulos' biography as, among other things, "a resentful sexual history. A dog of a book, one-sided and hate-filled," "as dim-witted as it is mean-spirited". Ms Stassinopoulos however, is quite unperturbed about the virulent criticism, as this interview reveals.

She cited all the reviews — "bad reviews" — she had received. But had not the majority been violently critical? "The more they rant and rave, the more flattered I am," she said, extending her arms and hands in wide, expressive movements. She first became famous as the president of the Cambridge Union. "It shows how enraged they are, and they are the custodians of the old, of what is decaying and dying, and they are obviously going to defend it — and this is a tidal wave — you can't stop it, my book is not just my book, my book is just a manifestation of a turning point..."

Stassinopoulos Huntington's "tidal wave" is a re-evaluation of modern art. Her theory appears to go that Picasso = "the father of modernism," Picasso = flawed genius, therefore modernism = flawed. It does not and has never alarmed her that she has nothing but the civilized habit of visiting art galleries to prepare her for her leadership of this revolution, for the attempted dismantling of

Picasso's reputation: "I believe that anybody who has a mind and a heart can respond to art. Art is not neurosurgery."

The key, often-repeated metaphor of the book is that Picasso began by treating his women as goddesses, but could not rest until he transformed each of them into a "doormat".

It is an image which never appeared in Picasso's work, but Stassinopoulos Huntington believes that his life and work were, and are, indivisible. "There's no question — Picasso himself said 'I swallow something, I am poisoned by it, and I eliminate the toxins'."

She finds his late work particularly toxic. But it is not, she grins, arms flailing, that she is making any "simplistic" connection between his life and work. "If you remove the Picasso legend and just look at the art, without knowing anything about the life, you cannot escape the rage and loathing unless you are blind."

Other critics have found irony, humanity and eroticism in these later paintings,

but she is scornful of their hearts and minds: "It depends what kind of eroticism you like — if you like the eroticism of the peeing Tom, of the voyeur, then there's eroticism."

As for rage, a New York critic observed that this emotion is concomitant with old age. "Huh?" she exclaimed in her still-powerful Greek accent. "The art critic's is. I think very often why people are idolising the rage in Picasso is because it legitimises their own."

## Believer

Aged 38 and a New Age, van der Postian believer in the power of awareness, meditation and Light, she cannot forgive Picasso for all the rude "darkness" of his vision. She draws a photostated letter from van der Post from a file of vindicating evidence. Is it her shared belief in van der Post's "terrible humanities of the man and his situation" that prevents her thinking Picasso a genius? "What?" said Stassinopoulos Huntington very sharply, but grinning stoutly. "I think he is a genius. You haven't read the book." Yes, I had read the book. It is 558 pages long, and seems to despise Picasso not only for his "existential" philanthropy, but for his social climbing, vanity, disloyalty to friends, self-publicising, communism, and discourtesies at lunch and dinner. "Have you read the epilogue? What I'm saying is he was a genius — bound to the 20th century. That is a genius — but it is not a timeless genius. Do you know what I'm saying?

"For me timeless art has to do with what Picasso himself believed was a great need, 'to put something absolute into the frogpond of the world' ... Picasso, in this biographer's opinion, failed to do so, because he did not believe in 'the harmony and order' which she likes to conjecture beyond disintegration and death. She refers painters such as Van Gogh and Rembrandt, who offer her a glimpse of 'higher reality'."



Arianna Stassinopoulos: "If my book was not as powerful as it is, it would have simply been ignored."

the approval of Stassinopoulos Huntington.

She had abandoned a scintillating New York social life to concentrate fully on her re-appraisal of genius. "If you believe the world is a place of darkness, then according to my philosophy you are seeing falsely, I am absolutely unequivocal about this. It's not for me a matter of opinion, you know what I'm saying, that's well."

## Philosophy

Her personal philosophy has been enhanced by insight seminars, sessions in Californian self-knowledge which helped her to find the "truths inside." And did Picasso find such truths? "No, not at all," you either evolve or devolve — Picasso devolved, do you know what I'm saying? It's like, he could not stay static, so the further away he got from the truth, the more filled with rage and despair he got ..." And the further he got from ever winning

one mistress and one wife committed suicide after Picasso's death. "Have you read a book called *Women Who Love Too Much*?" she demanded, citing a bestselling piece of American self-help philosophy. "It shows how women remain addicted to men who beat them up. I felt that women were addicted to him — that's the key word, addiction."

Her biography is free with its speculations on Picasso's intimate life — some, on matters such as sadism and homosexuality, so vague that they read like the revelations of a near-sighted peeing Tom. Is this correct? Is it fair on Picasso, now so irretrievably removed from any right of reply? If he replied, there would be nothing that I said that he could dispute," said Stassinopoulos Huntington. "There isn't anything in the book that isn't true."

## An Eastern view of Western wonders

By D. Guppy

THE First Persian Ambassador to Britain since the reign of Queen Elizabeth I was Mirza Abdul Hassan Khan. He arrived in London in November 1809 and stayed eight months.

His mission was to promote the ratification of an Anglo-Persian Treaty whereby Persia agreed to side with Britain to thwart Napoleon's designs on India. In return Britain would provide funds and weapons to repulse the Russians who had invaded the Persian dominions in the Caucasus.

A Persian at the Court of King George is the journal of Abu Hassan kept during his visit, in which he recorded his activities and impressions with candour and wit. He published it on his return to Persia as *The Book of Wonders*. "in the hope that it would be useful to future ambassadors."

This document is of considerable literary charm, as well as historical value, and has been admirably translated and annotated by Margaret Morris Cloake. It opens a unique vista onto English society, especially its ruling class, at a time when the Empire was still growing.

Sometimes it is hard to believe that he is describing the very country which Britain is today. "Night and day, it seems, that the English live for pleasure," he comments, after a

bout of entertainment lasting several days. Who? City Yuppies?

From the moment he landed in Plymouth the ambassador was entranced by Britain and its people, describing them in rhapsodic prose seasoned with extempore verses and quotations from poets.

He was astounded by such scientific inventions as the telegraph: "They say it can take messages to London, 300 miles away, in twenty-five minutes. What exaggeration!" He was enchanted by the landscape: hills are "high as lovers' hopes," and roads "smoother than the breast of a beautiful woman."

"There is no more beautiful city than London in the whole of Farang (Europe)," he wrote — and of course he was captivated by the beauty and grace of English women whom he describes as *hours* (nymphs in Paradise) and *Paris angels*.

**Curiosity**  
Clearly the curiosity and admiration were mutual: the handsome 36-year-old envoy was soon the toast of London. He was taken to the opera, the theatre, dinners and balls galore. King George III praised his intelligence. The Prince of Wales enjoyed his humour and became his personal friend.

At one dinner party he met Miss Pole, the foreign secretary's niece, and fell madly in love with her. The English Rose did not fancy joining his harem, and never returned his advances.

He pined and wept and confided his sorrow to the Prince of Wales: he was certain she had been frightened by his long, bushy beard. Yet it did not occur to him to cut it.

He learned a spattering of English from his interpreter and companion, James Morier, diplomat and author (who later caricatured him in his picaresque novel *The Adventures of Haji Ali Baba of Isfahan*).

Yet he was not indiscriminate in his judgments: he chafed at the trappings of democracy, which delayed the treaty ratification, while in Persia a stroke of the Shah's pen would have settled the matter in a second.

When taken to Lord Elgin's bouse to see the Marbles, acquired for 25,000 *toumans* (guineas), he declared: "I would not give 25 *toumans* for the lot!" — (pace Miss Melina Mercouri).

The book is as encrusted with gems as its author's robes. By keeping close to his flowery style, Miss Cloake conveys the exotic charm of the original while adding considerable humour to her translated version.

Mirza Abdul Hassan Khan's mission was not entirely successful.



Ambassador Mirza Abdul Hassan in riding dress.

ful; while the Persians fulfilled their side of the bargain and severed relations with Napoleon, the British came to an understanding with the Russians, who eventually took all the Caucasian provinces of the Persian Empire.

Even the diamond on the jewel-encrusted dagger presented on his departure turned out to be glass! Yet he remained charmed by Britain and the British to the end of his life and returned, again as ambassador, a few years later.

A Persian at the Court of King George, 1809-10: the Journal of Mirza Abdul Hassan Khan. Translated and ed. by Margaret Morris Cloake. Barrie & Jenkins. £14.95.

Tariq Ali reviews three volumes of the New Cambridge History of India

## Post-colonial view of Indian history

WHEN a great oak falls there is never a shortage of woodcutters.

So it was in 18th century India when the powerful Mughal Empire collapsed on the eve of its bi-centennial. Even at the very peak of Mughal triumphs a few strategic footholds had been gained by European capitalists.

Western traders in pursuit of spices had managed to penetrate some coastal regions in southern India. Ships with guns were soon needed to defend these enclaves.

Europe's entry in India was a classic example of politics as concentrated economics, and war as a continuation of both by other means.

The old Cambridge History of India (published in 1922-37) was largely determined by the realities of the British Empire. It contained a wealth of useful material, but both the sources and the approach were limited by necessity. 1982 saw the publication of two excellent volumes comprising the Cambridge Economic History of India. This was the first serious indication that changes were on the way.

The three books under review are the first volumes of the New Cambridge History of India. In almost every way they

mark a tremendous leap forward. It is a detached, post-colonial enterprise and the volumes which follow preserve the same quality of scholarship and writing then there is a treat in store for all students of subcontinental history.

The literary fluency which makes all three volumes an excellent read for any layperson interested in recent Indian history comes, I think, from a deep and intimate knowledge of the subject.

## Adventure

M.N. Pearson's study of Portugal's Indian adventure is a compelling account of both countries. His sketch of Portuguese society at the time underlines its social and economic underdevelopment.

Whereas Britain and France utilised their growing industrial strength as a launching pad to expand their trade, Portugal was driven abroad by its own backwardness. "Indeed," comments Pearson, "anyone who travels today on the Western Indian coast and in Portugal will be impressed by the appearance of fecundity, of lush vegetation, in the former compared with the rocky, infertile and barren appearance of much of Portugal."

"At least visually and initially, Goa must have looked like paradise to a sixteenth cen-

tury Portuguese peasant." Portuguese power was enforced by a powerful Navy which preceded the technological innovations of the industrial epoch.

The Mughals never understood the importance of the sea. Theirs was a land-based conquest and even though India was surrounded by oceans on two sides, the first two Mughal Emperors never saw the sea.

Pearson characterises the Portuguese Empire as "a network of maritime connections," which could not compete with Dutch and English competition on the seas.

P.J. Marshall's narrative paints a striking picture of Mughal Bengal just prior to the British arrival. He describes the flourishing cities of Dhaka and Calcutta (both had over 100,000 citizens in the middle of the 18th century) and their communities of "painters, carpenters, weavers, fishermen, gold and silversmiths, milkmen, shellworkers, blacksmiths and potters."

These towns as Marshall correctly stresses, were despite their sophisticated economy, largely dependent on the countryside.

"Contemporary Europeans," writes Marshall, "believed that the soil of Bengal was extremely fertile. Empires were likely to take root there easily. Whether

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## 'Satisfaction' heads list of all-time greats 100 hits you've loved or loathed since 1963

By Charles Bremner

WITH the Vietnam war dogging the vice-presidential hopes of a Sixties student and the release of the first government-approved hair restorer in America last week, it was a good time for the baby boom generation to look back on lost youth.



Keith Richards (left) and Mick Jagger of the Rolling Stones. Critics say their song Satisfaction was the 'anthem of the mid-Sixties.'

1: (I Can't Get Na) Satisfaction, Rolling Stones (1965)  
2: Like a Rolling Stone, Bob Dylan (1965)  
3: I Want to Hold Your Hand, Beatles (1964)  
4: I Heard It Through the Grapevine, Marvin Gaye (1968)  
5: I Want You Back, Jackson 5 (1969)  
6: Respect, Aretha Franklin (1967)  
7: (Sittin') On the Dock of the Bay, Otis Redding (1968)  
8: Furnace Song, Creedence Clearwater Revival (1969)  
9: Born to Run, Bruce Springsteen (1975)  
10: Step! In the Name of Love, Supremes (1965)  
11: Good Vibrations, Beach Boys (1966)  
12: The Tracks of My Tears, Smokey Robinson & the Miracles (1965)  
13: In the Midnight Hour, Wilson Pickett (1965)  
14: What's Going On, Marvin Gaye (1971)  
15: You Really Got Me, Kinks (1964)  
16: My Generation, the Who (1966)  
17: Little Red Corvette, Prince (1983)  
18: Louis Armstrong (1963)  
19: You've Lost That Lovin' Feelin', Righteous Brothers (1965)  
20: Gloria, Them (1965)  
21: Dancin' In The Street, Martha & the Vandellas (1964)  
22: Billie Jean, Michael Jackson

With impeccable timing, Rolling Stone magazine, chronicle of the rock age, seized the mood of nostalgia by issuing a list of the '100 best singles of the last 25 years'.

The biggest chill comes from realizing how accurately these singles mirrored the mood of youth at the time and echoed the changes convulsing the world at large. Two decades down the trail, they still resonate with power.

Rolling Stone said it chose

roll's power to electrify and inspire," said the editors, perhaps a little wishfully.

Explaining the choice of Mick Jagger and Keith Richard-



The Beatles are ranked No. 3 with their 1964 hit I Want to Hold Your Hand. Three other Beatles' singles are rated numbers 29, 53.

### Curations

Curious though, was the relatively low ranking given to the Beatles by the purist American critics, though they and the Stones tie with four singles each — the most repeated artists on the list — and John Lennon makes the 100 with two of his own songs.

The second Beatles record was Hey Jude, rated at 29th, followed by Strawberry Fields Forever at 48 and Help at 53.

In the Sixties, an extraordinarily consistent succession of 45s reaffirmed rock and

- (1963) 23: Reach Out I'll Be There, Four Tops (1966) 24: Shake, Sam Cooke (1965) 25: The Message, Grandmaster Flash and the Furious Five (1982) 26: Gimme Some Lovin', Spencer Davis Group (1967) 27: Heavily Loaded, Rolling Stones (1969) 28: My Girl, Temptations (1965) 29: Hey Jude, Beatles (1968) 30: River Deep, Mountain High, Ike & Tina Turner (1966) 31: Don't Worry Baby, Beach Boys (1964) 32: Anarchy in the UK, Sex Pistols (1976) 33: When a Man Loves a Woman, Percy Sledge (1966) 34: Thank You (Falettiame Be Mine Elf Again), Sly & the Family Stone (1970) 35: Da Da Da, Crystals (1963) 36: 96 Tears, and the Mysterians (1966) 37: The Letter Box Tops (1967) 38: I'm Your Baby, Sonny & Cher (1963) 39: Walkin' on Sunshine, Boney M. (1976) 40: Light My Fire, Doors (1967) 41: Chain of Fools, Aretha Franklin (1968)
- (1967) 42: Hotel California, Eagles (1977) 43: Oh, Pretty Woman, Roy Orbison (1964) 44: Imagine, John Lennon (1971) 45: Let's Stay Together, Al Green (1971) 46: Pride (In the Name of Love), U2 (1984) 47: Suspicious Minds, Elvis Presley (1969) 48: Strawberry Fields Forever, Beatles (1967) 49: Try a Little Tenderness, Otis Redding (1966) 50: Starvin' Alive, Bee Gees (1977) 51: When Davies Cry, Prince (1966) 52: Prom Queen, Creedence Clearwater Revival (1969) 53: Hold Me (1965) 54: I Wanna Know What Love Is, Foreigner (1984) 55: California Dreamin', The Mamas and the Papas (1966) 56: Brown Eyed Girl, Van Morrison (1967) 57: For What It's Worth, Buffalo Springfield (1967) 58: Go Your Own Way, Fleetwood Mac (1977) 59: Who'll Stop the Rain?, Creedence Clearwater Revival (1970)
- (1968) 60: Good Times, Chic (1979) 61: Walk This Way, Aerosmith (1976) 62: Groovin', Rascals (1967) 63: Love Will Tear Us Apart, Joy Division (1980) 64: I'm Gonna Find You, Searchers (1964) 65: All Along the Watchtower, Jimi Hendrix (1968) 66: Hold On, I'm Closin', Sam and Dave (1966) 67: Crimson and Clover, Tommy James and the Shondells (1968) 68: I'm Gonna Jack Flash, Rolling Stones (1965) 69: Once in a Lifetime, Talking Heads (1981) 70: Somebody To Love, Jefferson Airplane (1967) 71: Bridge Over Troubled Water, Simon & Garfunkel (1970) 72: Wild Thing, Tropicana (1966) 73: Superstition, Stevie Wonder (1972) 74: Brown Sugar, Rolling Stones (1971) 75: The House of the Rising Sun, Animals (1966) 76: I'm Gonna Croak, Stills, Nash & Young (1970) 77: Layla, Derek and the Dominos (1970) 78: Rock Steady, O'Jays (1972) 79: Up Town Girl, Billy Joel (1983) 80: People Get Ready, Impressions (1965)



Bob Dylan: No. 2 in the top 100

da's snarling Satisfaction, anthem of the mid-Sixties, the editors said: "It is the perfect riff: tough, dramatic and instantaneous in its impact — the rock and roll equivalent of the opening notes of Beethoven's Fifth."

Keith Riebards says he dreamed up that opening guitar riff in a motel in Florida while the band was touring in 1965. He handed them over to Mick Jagger, who made up the lyrics in 10 minutes by the swimming pool.

- John Lennon (1970)  
80: Papa's Got a Brand New Bag, James Brown (1965)  
81: Walk On the Wild Side, Lou Reed (1971)  
82: Walk Away Romeo, Left Bank (1966)  
83: Devil With a Blue Dress On/God Only Misses Me, Mitch Ryder (1966)  
84: Year Song, Elton John (1970)  
85: A Whiter Shade of Pale, Procol Harum (1967)  
86: Mr Tambourine Man, Byrds (1965)  
87: Maggie May, Rod Stewart (1971)  
88: Sunday in the City, Lovin' Spoonful (1966)  
89: Tell It Like It Is, Aaron Neville (1966)  
90: Overnight Sensation (H.R. Record), Raspberries (1974)  
91: Good Lovin', Rascals (1966)  
92: Bang a Gong (Get It On), T. Rex (1972)  
93: Night Moves, Bob Seger (1977)  
94: War, Edwin Starr (1970)  
95: Every Breath You Take, Police (1983)  
96: Whole Lotta Love, Led Zeppelin (1969)  
97: Layla, Derek and the Dominos (1970)  
98: Rock Steady, O'Jays (1972)  
99: Up Town Girl, Billy Joel (1983)  
100: People Get Ready, Impressions (1965)

## George Michael's 'Monkey' swings into top position in US

NEW YORK: Monkey took a big leap and carried George Michael to the top of the single pop record charts in the United States. The hit disc jumped from fifth place a week ago.

Elton John's I Don't Wanna Go On With You Like That climbed two notches to second position on the Cash Box magazine chart. Last week's number one hit, Roll With It by Steve Winwood, tumbled to third.

Hands to Heaven by Breathie slipped from second to seventh spot, while "I-2-3" by Gloria Estefan and the Miami Sound Machine toppled from third to tenth.

New to the top 10 pop list this week were Perfect World by Huey Lewis and the News, up from 12th to 8th, and Simply Irresistible by Robert Palmer, up from 13th to 9th.

The Judds took over the top of the Cash Box magazine country-and-western singles chart with Give a Little Love. Party Loveless was second with A Little Bit in Love, and Rodney Crowell third with I Could've Left You If I Tried.

### Top Ten US

The top 10 pop singles, as rated by Cash Box magazine, with last week's positions in brackets:

1. (5) Monkey — George Michael (Columbia)
2. (4) I Don't Wanna Go On With You Like That — Elton John (MCA)
3. (1) Roll With It — Steve Winwood (Virgin)
4. (8) Sweet Child O'Mine — Guns n' Roses (Geffen)
5. (6) I Don't Wanna Live Without Your Love — Chicago (Warner Brothers)
6. (10) Fast Car — Tracy Chapman (Elektra)
7. (2) Hands to Heaven — Breathie (A and M)
8. (12) Perfect World — Huey Lewis and the News (Chrysalis)
9. (13) Simply Irresistible — Robert Palmer (Emi-Manhattan)
10. (3) 1-2-3 Gloria Estefan and Miami Sound Machine (EPIC).

The top 10 country-western singles, as rated by Cash Box magazine, with last week's positions in brackets:



George Michael's 'Monkey'

swings into top position in US

The Judds (RCA/Curb)  
2. (3) A Little Bit in Love  
Party Loveless (MCA)  
3. (4) I Could've Left You If I Tried — Rodney Crowell (Columbia)  
4. (6) Do You Love Me/Just Say Yes — Highway 101/Warner Brothers  
5. (7) Joe Knows How to Love  
— Eddy Raven (RCA)  
6. (8) If the South Would Won — Hank Williams Jr. (Warner Brothers-Curb)

7. (11) The Wanderer — Reba Rabolt (RCA)

8. (10) That's What Your Love Does to Me — Steve Dunn (MTA)

9. (11) Should Be With You — Steve Winwood (MCA)

10. (12) Don't Give Candy to a Stranger — Larry Boone (Mercury-Polygram)

And in London, the only Plastic Population's The Only Way Is Up topped the British pop singles chart for a fourth straight week followed by Kylie Minogue's The Loco-Motion and I Need You by B.V.S.M.G., which switched places.

The Harder I Try, the Stranger Beyond soared from 11th to 4th, and My Love, by Stevie Wonder and Julio Iglesias, arrived at 6th place from 21st.

### Top Ten UK

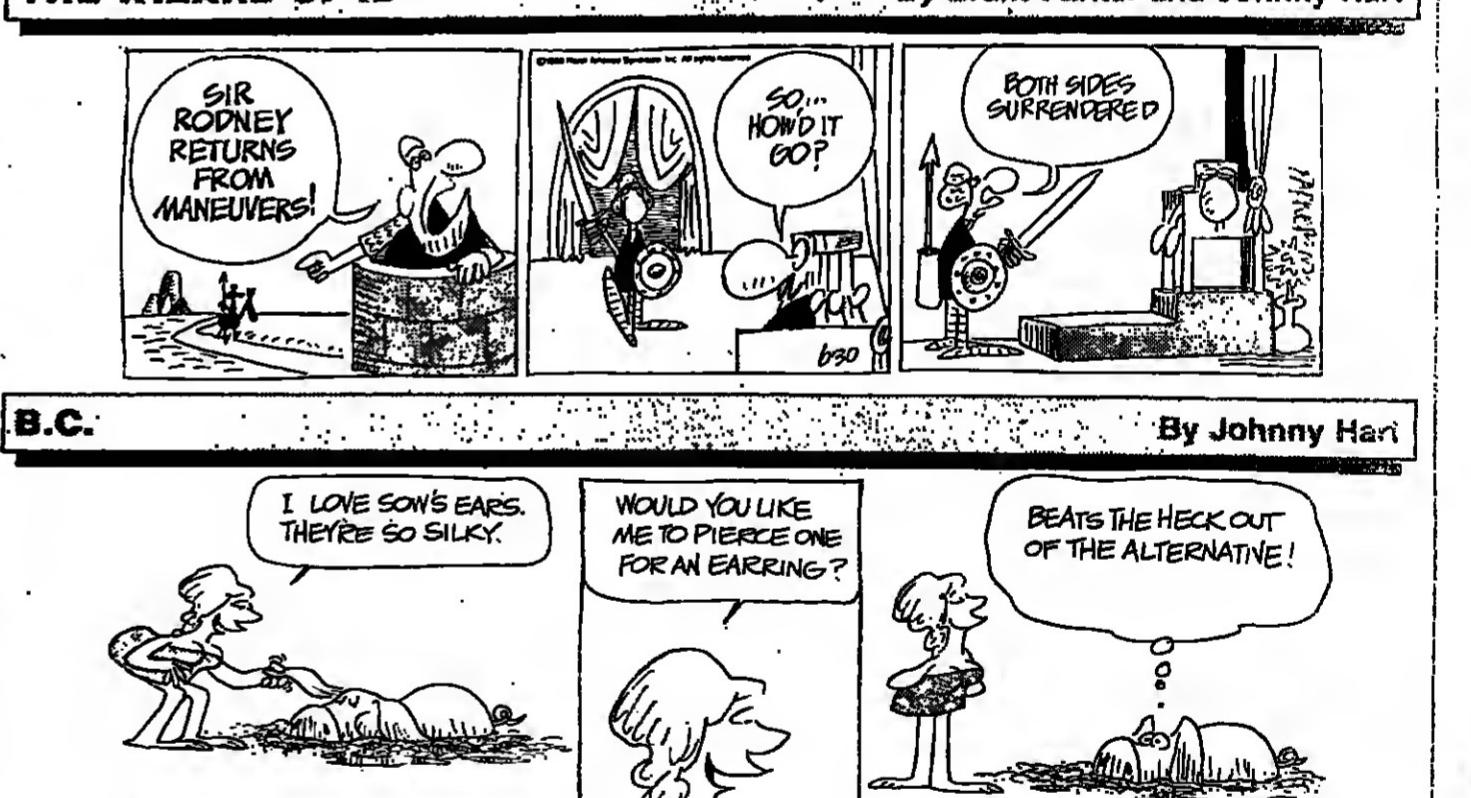
This week's top 10 singles, as listed by Our Price Music Ltd., the national music retail chain, with last week's placings in parentheses:

1. (1) The Only Way Is Up — Yazz and the Plastic Population (Big Life)
2. (3) The Loco-Motion — Kylie Minogue (PWL)
3. (2) I Need You B.V.S.M.P. (Debut)
4. (11) The Harder I Try, Brother Beyond (Parlophone)
5. (5) Hands to Heaven — Breathie (Virgin)
6. (2) I Love You — Julio Iglesias and Stevie Wonder (CBS)
7. (4) You Came — Kim Wilde (MCA)
8. (8) Find My Love — Earthbound Attraction (BMG)
9. (6) Superfly Guy — S Express (Mute)
10. (12) Roses Are Red — Mac Band Feat McCampbell Bros (MCA)

Kylie Minogue: No 2 in the UK magazine, with last week's positions in brackets:

1. (2) Give a Little Love —

### THE WIZARD OF ID



### YOUR STARS



Aries (March 20 - April 18)

You should try to spend at least part of the day tidying up. You should not be in such a hurry that you do not have time to do anything properly. Take a little extra care when on the road. Be cordial.



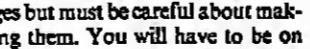
Taurus (April 19 - May 19)

You will be able to have a pleasant day in good company. Do not adopt a leisurely pace which will compel you to rush things because you have wasted time. Make sure your partner feels satisfied. Be considerate.



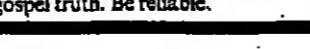
Leo (July 22 - Aug 21)

You will be in high spirits and must beware of doing things on the spur of the moment. Do not behave as though you were ten years younger than you are. Think once again before you act. Be generous.



Scorpio (Oct 23 - Nov 21)

You are liable to make the same mistake yet again, so beware. You should not let others deceive you. However do not be needlessly suspicious either. Be moderate.



Capricorn (Dec 22 - Jan 19)

You will be better able to deal with a problem you will not be able to solve overnight. You are rather too liable to jump to conclusions and act on impulse; beware. Take a bit better care of your health. Be sensible.



Pisces (Feb 19 - March 19)

You should not allow yourself to believe that everything is as you would like it to be. Take even more care than usual if you are climbing a ladder. Avoid dwelling on the past. Be selective.

### TODAY'S CROSSWORD

### GOREN BRIDGE

BY CHARLES GOREN AND OMAR SHARIF

#### DON'T DRAW DIAGRAMS

North-South vulnerable. South deals.

**NORTH**

♦ 6 5

♦ Q 4 3 2

♦ Q J 2

♦ A J 10 2

**EAST**

♦ Q J 10 9 8

♦ 4 3 2

♦ V K 10 5

♦ A 10 9 6 5

♦ 4 3

♦ Q 9 8 7

♦ 4

♦ Q 9 8 7

The bidding:

South West North East

1 NT 2 ♦ 3 ♦ Pass

3 NT Pass Pass

Opening lead: Queen of ♣

It has become fashionable to use overcalls of strong bids to show two-suited hands. That is well and good if you buy the hand. However, when you do not, you might find that you have shown declarer the way to get home.

West made a pun attempt to interfere with his opponents' auction by making an artificial two-club overcall, which promised at least 10 cards in two unspecified suits.

# BUSINESS & FINANCE

W. German bank will continue to do everything to stem the decline of mark: Poehl

## European central banks raise interest rates

NEW YORK, Aug 26, (AP): The central banks of Britain, West Germany and several other European countries hiked their key interest rates yesterday, rekindling fears of a global rate spiral and unnerving financial markets.

On Wall Street, the Dow Jones average of 30 industrial stocks, up 37.34 points on Wednesday, dropped 15.82 to 2,010.85.

The European interest-rate hikes also had the intended effect of knocking the dollar lower, especially against the West German mark.

Some analysts believe the rate hikes by West Germany's Bundesbank, the Bank of England and other European central banks could prompt another sharp tightening of credit in the United States -- where the Federal Reserve pushed rates higher only a few weeks ago.

"There's some danger that we could get" an increase in the

Fed's discount rate, said Robert Brusca, chief economist for investment firm Nikko Securities Co. International Inc. "The dollar is really looking like it's made a turn for the worse."

Other experts, however, deem it unlikely that the Fed would take such dramatic action again to raise rates so close to the presidential election in November. Instead, they expected the central bank to nudge rates gently higher by using its routine operations in the money markets -- even if inflationary pressures heat up and the dollar stumps.

"The farther we get along on this process of leapfrogging (interest rates), the more reluctance starts to grow," said Hugh Johnson, a senior vice-president of First Albany Corp. "In some ways, it's like a poker game and everyone starts raising the ante -- and some people start dropping out."

In a surprise move Aug 9, the

US Central Bank announced a half-percentage point increase in its discount rate to combat inflation. That put the fee the Fed charges member banks for short-term loans at 6.5 per cent, its highest level in more than two years.

### Raise

It was the first rise in the key rate since September 1987 -- the month preceding the stock market crash -- and sparked a half-point increase in the US prime lending rate to 10 per cent.

After the Fed increase, many market watchers believed it was only a matter of time before the United States' major trading partners responded in kind.

"We had been more or less anticipating" a European rate rise, said David Redding, an international economist for Bankers Trust Co. "It's more of a catch-up than the part of the foreigners."

The Bank of England signalled

a full percentage point increase in the British commercial banks' base lending rate to 12 per cent, following a government report on the country's trade deficit in July.

The report showed Britain's July trade gap soared 72 per cent to a record £6.5 billion pounds, or about \$4.5 billion. British Chancellor of the Exchequer Nigel Lawson said the rate was boosted to keep inflation under control.

### Experts

The Bundesbank raised its discount rate to 3.5 per cent from 3 per cent, citing the dollar's recent strength against the mark. The central banks of France, Switzerland, the Netherlands and Austria quickly followed suit with rate hikes.

In Tokyo, however, a senior Bank of Japan official said there is "absolutely no need to consider an adjustment in Japan's monetary policy just because the

Bundesbank and the Bank of England raised their base rates."

While the increases may have been foreseen, experts did find surprising the vehemence of the West Germans' verbal attack on the dollar.

Bundesbank president Karl Otto Poehl said the bank will "continue to do everything to stem the decline of the mark against the dollar."

Poehl's remarks seemed to overreach the February 1987 "Louvre" agreement on the value of the dollar informally adopted by the major industrial countries, Redding suggested.

"It makes you wonder about the co-operation," he said.

France's three-month-old socialist government on Thursday reversed its policy of cutting credit costs and bowed to international pressure for higher interest rates.

The Bank of France raised its key money market intervention

rate by a quarter of a percentage point to seven per cent and its five-to-10-day repurchase rate by the same amount to 7.75 per cent. On July 8 it had cut the benchmark intervention rate by that same amount.

Finance Minister Pierre Bercy said in a statement that he "wanted the Bank of France's interest rates adapted to the evolution of the international monetary situation."

### Priority

"The government's priority is a stable currency to create the conditions of non-inflationary growth in France."

After two cuts in official rates since arriving at the Finance Ministry in May, Bercy has maintained in recent weeks that French rates could stay low because of moderate French inflation.

Higher interest rates would normally attract capital into the country.

## World Business Summary

### US and Soviets agree to extend grain deal

WASHINGTON, Aug 26, (AP): The United States and the Soviet Union have agreed in principle to extend for one year the current deal between the two countries for Soviet purchase of US grain, a US official said. The official, who spoke on Wednesday on condition of anonymity, said the terms were "essentially identical" to current arrangements, under which the Soviets must buy at least 9 million tons of US grain annually.

The five-year pact expires on Sept 30. The official said the two sides reached a mutual decision to try to devise a new accord but to stick to the terms now in force. He told the Associated Press the deal was sealed last week through "diplomatic channels." A second official said he hoped a pact between the two countries could be reached at the next negotiating session, but said that no final agreement has been reached.

"We feel like we made some progress, but we're still far apart on pricing, minimums and things of that nature," said Thomas Kay, chief of Department of Agriculture's Foreign Agricultural Service. The grain deal benefits US farmers, now experiencing severe drought problems, and the Soviet Union, which often looks to the West for grain though it has had a good harvest this year.

Last month, the Agriculture Department estimated that the Soviets would have a bumper harvest of 215 million metric tons, which would be their third best crop ever. The Soviets are importing grain to build up their stockpiles and to feed expanding livestock herds. The Soviets have already been given permission to purchase more than 12 million tons of grain of this year. As of last month, they had bought more than 5 million tons of corn, more than 9 million tons of wheat, 830,700 tons of soybeans and 1.3 million tons of soybean meal.

### First co-operative bank set up in Soviet Union

MOSCOW, Aug 26, (Reuter): The first Soviet co-operative bank has been established in an expansion of the banking system designed to ease conditions for non-state enterprise, the government newspaper Izvestia said yesterday. The bank is located in Chinkin, in the central Asian Republic of Kazakhstan. Its authorised capital is one million roubles (\$1.6 million), and it may also use 20 million roubles (\$3.3 million) in deposits, Izvestia said.

It said the bank would set its own interest rates and provide simplified credit conditions for co-operative businesses, the new growth area of Kremlin economic reform.

"Co-operative banks will help overcome monopoly in banking," Vyacheslav Zakharov, deputy chairman of the Soviet State Bank, told Izvestia. "By expanding the banking network, we will facilitate the development of money-commodity relations in the country. Now money will become more 'precious' than in the past, since credit will be provided on a commercial basis," he said. Izvestia said shareholders in the co-operative bank would be paid dividend geared to its profit. It said co-operative banks would also be set up in Moscow and Leningrad, and applications had arrived from Vladivostok in the Far East, Riga on the Baltic, and many cities between.

### France probing technology transfer to Moscow, says US

WASHINGTON, Aug 26, (Reuter): France is investigating the alleged diversion to the Soviet Union of advanced equipment the United States believes was used in a Soviet fighter plane programme, the Defense Department said yesterday. "The investigation involves the alleged diversion of dozens of very sophisticated milling machines to military users in the Soviet Union," Fred Hoffman, a Pentagon spokesman, told a news briefing.

The official daily said the refinery is the largest foreign investment project approved by China this year and marks the first time the UAE has invested in China.

**Plant**

The daily quoted officials of the Foreign Economic Relations and Trade Ministry (MOFERT) as saying construction should begin at the end of the year.

The plant is to refine 3 million tons of crude oil a year. The oil will be shipped from the UAE, and the finished products will be sold overseas. The refinery will be wholly owned by the UAE.

**Takeshita urged to expand aid to China's modernisation drive**

BEIJING, Aug 26, (UPI): Chinese leader Deng Xiaoping today urged Japanese Prime Minister Noboru Takeshita to expand aid to China's modernisation drive in technology transfer and business investment, saying they were "even more important" than loans.

Takeshita met with Deng on the second day of his first visit to China as Prime Minister. After his arrival on Thursday, Takeshita announced a major new package of low-interest economic development loans to China totalling more than \$6 billion.

At the opening of the hour-long meeting at the Great Hall of the People, Deng hailed Takeshita's visit as marking "a great new year" in relations between Tokyo and Beijing, troubled in recent years by a series of political and economic disputes.

**Aspiration**

"My welcome here expresses an aspiration that Chinese and Japanese leaders should establish a new type of relationship," said the 84-year-old Chinese leader, adding he hoped relations would be "not lower" than in the 1970s.

Deng's remarks appeared to cap an effort to patch up relations that soured after 1983 under Takeshita's predecessor, Yasuhiro Nakasone, over Japan's trade surplus, attempts by Japanese right-wing elements to absolve Japan of World War II-era atrocities in China and other irritants.

**Indonesia and Saudis urged to step up economic ties**

JAKARTA, Aug 26, (OPECNA): Saudi Arabia's new ambassador to Indonesia Talal Amin Hamdy has called on the two countries to strengthen economic co-operation and step up the volume of trade exchange.

In an interview with the Indonesian National News Agency, Antara here on Monday, he said that economic and trade cooperation between Indonesia and Saudi Arabia had so far been "very limited."

**Goods**

He stressed that import and export of goods should be particularly encouraged in order to increase the overall trade volume.

Indonesian exports to Saudi Arabia have so far only reached a total of \$200 million in value while imports from the kingdom have amounted to over \$1 billion.

Hamdy said he was "convinced and optimistic" that the prospects for increasing bilateral

relations "were very bright and for the benefit of both countries."

He suggested that Saudi Arabian businessmen should be invited to invest in Indonesia to strengthen economic ties between the two countries.

His proposal to promote bilateral co-operation had been welcomed by a number of high-ranking Indonesian officials, he added.

**Indonesian exports to the kingdom**

Indonesian exports to the kingdom currently include plywood, sawn timber, textiles and garments, recording tapes and foodstuff, while in return it receives crude oil and petrochemical products from Saudi Arabia.

Other Indonesian commodities which could be exported to Saudi Arabia include spices, tea, coffee, cocoa, rattan handicraft products, horticultural goods, glassware, rubber products, shrimps and medical equipment.

### Japanese consortium wins order from Iran

TOKYO, Aug 26, (AP): A Japanese consortium has won an order worth about 1 billion yen (\$7.4 million) to supply Iran with pipe to be used in transporting oil, a Japanese company official said today.

An official of Nippon Steel Corp., one of eight Japanese firms involved in the deal, said the contract was struck with Iran's state-owned National Petroleum Corp. on Aug 20, the day a ceasefire in the Iran-Iraq war was implemented.

The official, who spoke on condition of anonymity, said the order from Iran followed international bidding participated in by consortiums from France, Italy and West Germany.

Under the contract, the Japanese group will export to Iran 10,000 tons of 12-inch pipe beginning early next year, he said.

The other Japanese firms involved in the deal are NKK Corp., Kawasaki Steel Corp., Sumitomo Metal Industries Ltd., and four trading companies -- Marubeni Corp., Sumitomo Corp., Mitsubishi Corp., and C. Itoh and Co.

### Sony group net profit zooms

TOKYO, Aug 26, (Reuter): Japan's Sony Electronics Group posted stunning profit growth for the three months to June 30, reflecting worldwide strong demand for its products.

Group net profit mushroomed 396 per cent to 16.1 billion yen (\$1.46 million) in the quarter, compared to the same period a year earlier.

Sales rose 37.2 per cent to 46.6 billion yen (\$3.5 billion), helped by demand for consumer and professional video products, compact disc players and semiconductors.

"This large gain reflects strong sales performances of electronics products in all geographical areas, especially Japan and Europe," the firm said in a statement.

### Contribution

It also shows the contribution, for the first time, of sales generated by the CBS Records Group, one of the world's biggest record companies, which Sony bought last January for \$2 billion.

The gain was made more dramatic by comparison with a depressed quarter one year earlier when the strong yen undercut profitability, industry analysts said.

Since then, Sony, like many Japanese exporters, has cut costs and enhanced its profitability by shifting production overseas.

### IMMIGRATION TO CANADA?

Canada welcomes foreign businessmen, investors, entrepreneurs and executives who have substantial financial status and wish to establish or invest in a business in Canada. As a consulting firm in Canada, we offer our services in assisting you to obtain an immigration visa for permanent residence and advise you on a business venture that may interest you. C.I.C. firm can also be of assistance in relocating and integrating you into Canadian life (education, housing, etc.). Interested candidates may apply to:

CANADA IMMIGRATION & INVESTMENT CONSULTANT CO. C.I.C.  
100 Place de l'Orme, 300 Le Poerou,  
CP 187 Montreal Quebec H2W 2M9  
(514) 843-2172 Fax 843-6773

### US economy grew by 3.3 pc in second quarter

WASHINGTON, Aug 26, (Reuter): The US economy slowed between April and June but still grew steadily at a seasonally adjusted annual rate of 3.3 per cent, the Commerce Department said on Thursday.

Gross national product (GNP) rose at the 3.3 per cent figure in the second quarter of the year after removing the impact of inflation, the department said.

The economy grew slightly faster between April and June than had previously been thought, although drought-induced losses of crops and livestock took a toll.

The increase in GNP, which measures output of goods and services, was higher than last month's estimate of 3.1 per cent growth rate in the second quarter and followed a 3.4 per cent rise in the first three months of the year.

### Britain goes deep in the red

LONDON, Aug 26, (Reuter): Britain announced a record monthly payments deficit for July worth more than \$3.5 billion and the news fuelled charges the Conservative government has let a consumer boom run out of control.

Base interest rates were quickly put up, to 12 per cent, in the eighth rise in three months to try to pinch a spending spree which is sucking in record imports.

The July current account balance of payments deficit of £2.15 billion (\$3.63 billion) was twice what many economists predicted and about double the deficit for June.

**Costs**

The figure and the rise in borrowing costs wiped \$4 billion (\$6.75 billion) off the value of London shares. The FTSE index of 100 blue chip stocks at one point showed a 50-point drop.

"The economy is experiencing a great deal of trouble," said Bill Martin, economist at London brokers Phillips and Drew. "The British economy is now running wild and free."

The opposition Labour Party blamed the boom on big tax cuts announced last March and easy credit earlier in the year -- base interest rates were at 10-year lows of 7.5 per cent in June.

The latest figures mean that for the first seven months of this year, Britain was in the red by

£7.97 billion (\$13.46 billion).

Prime Minister Margaret Thatcher's government had set a target of \$4 billion (\$6.76 billion) for all of 1988.

Many economists believe that raising interest rates too high will bring a dangerous cut in new investment, so they urge higher taxes a solution.

But Chancellor of the Exchequer Nigel Lawson would suffer a political loss of face if he reversed a drive to cut taxes in Britain which mirrored tax-cutting in the United States under the Reagan administration, also beset by big trade deficits.

The highest rate of British income tax has more than halved to 40 per cent since the Conservatives came to power in 1979.

In a radio interview, Lawson called the July trade figures unwelcome but said he had applied the proper remedy.

"The economy has been going ahead too fast. It is necessary to apply the breaks and that is what I've done," he said.

He ruled out an emergency budget but said interest rates may stay at the current level for some time.

Pointing to rising incomes, falling unemployment and higher manufacturing output, he said the economy was strong.

Brian Gould, trade and industry spokesman for the opposition Labour Party, said: "Remedial action is urgently needed. The

### Perez plans to cut debt payments

CARACAS, Aug 26, (Reuter): The frontrunner in Venezuela's presidential election said he would more than halve the country's foreign debt payments and Latin America should unite in demanding a fixed interest rate from foreign banks.

Former President Carlos Andres Perez, heavily favoured to win the elections in December, told



# WORLD STOCK MARKETS

ARAB TIMES, SATURDAY, AUGUST 27, 1988

## International Bond Highlights

LONDON — Alliance and Leicester Building Society is issuing a 200 min. stg floating rate note due September, 1993, paying 1/8 poin over the three month London Interbank offered rate with a minimum coupon of five pct. lead manager Union Bank of Switzerland (Securities) Ltd said. (RTW 1445)

TOKYO — Ricoh Co Ltd said it will offer to the public 30 billion yen in 9-1/2 year unsecured convertible bonds. The bonds will be priced at par end mature on March 31, 1988, while the coupon will be decided at the next board meeting. (RTW 0906)

LONDON — Swedish Export Credit is issuing a 200 min. dkr Eurobond due October 7, 1991 paying 9-1/2 pct, priced at 101-1/4 pct, lead manager IBI International Ltd said. (RTW 0846)

LONDON — The Eurobond launched recently for Electricite de France has been increased to 250 min. dkr from the initial 200 min due to good demand for the deal, lead manager J.P. Morgan Securities Ltd said. (RTW 0920)

FRANKFURT — Japanese transport firm Senko Co Ltd is launching a 130 min. mark werrant Eurobond due October 1, 1993 with an indicated coupon for 1-1/2 pct end per pricing, lead manager Bayerische Vereinsbank AG said. (RTW 0741)

## Interest Rates

	CALL	ONE MONTH	THREE MONTHS
LON	12-1/8 12	12-1/8 12	12-5/16 3/16
FFT	4.55/65	5.10/15	5.35/40
PAR	7-3/4 15/16	7-1/2 5/8	7-13/16 15/16
ZUR	1-5/6 1-7/8	3 3-1/4	3-1/2 5-3/4
BRX	4.85	7-1/8 1/4	7-1/2 5/8
ROM	10 10-1/2	11-3/8 11-7/8	11-1/4 11-3/4
AMS	5.0 5-1/4	5-3/8 5-1/2	5-5/8 5-3/4
TKD	3.8125 8700	4.1250 1875	4.0625 1250
ECU	6.87 7.12	7.10 7.31	7.56 7.68
			6-9/16

## Interest Rates

FOLLOWING are the average KD interest rates of local interbank transactions as reported by participants to Central Bank of Kuwait yesterday.

Period Bid Offered  
1 month 6 6-1/4  
3 months 6-1/8 6-3/8  
6 months 6-3/16 6-1/2  
1 year 6-3/16 6-9/16

## BOMBAY

PR. CLOSE	OPEN	CLOSE	GLINDIA	53.50	53	68	NICO	575	570	582.50	
ICC	227	230	232	GRASIN	46.50	47	46.50	HUKAND	88.50	88	92
ISTA PAINT	162.50	162.50	165	GSFC	103.50	104	103.50	HOCIL	502.50	505	502.50
SAJAI AUTO	262.50	265	263.75	HIM LEVER	67.75	67.50	66.50	OKRAY	23	22.50	23
SARAYON	235	232.50	235	HINDALCO	97	98	59	PFIZER	54	54.50	55
SOR.DYING	112	111	102.50	HINDCOCA	78	77.50	96.50	PRE.AUT	30.50	51	51.25
SR. BOND	85	85	87	HINDMOTOR	26	26.25	28	RAYMOND	52.50	52	52.50
SSE INDEX	599.22	594.68	IND ORE	27	26.50	27	RELIANCE	200	200	200	200
CENTURYSPG	912.50	920	926.25	INDRAYON	66	66.50	66	SIEMENS	71.50	71	72.50
COLGATE	220	220	222.50	INDROL	150	147.50	150	SPIC	48.25	48.25	47.50
DEEPAKFERT	37	37.50	37	ITC	38.50	38	38.50	STDWILL	240	240	240
EI.HOTEL	50	49	50	JKSYNTH	68.75	69	68.25	TATA PWR	217.50	215	215
ESKAYE	118.75	117.50	118.75	L AND T	110.50	111	109.50	TATACHEEN	73	72.50	73
ESSAR	20.50	17.75	17.75	MAH INDRA	57	57	57.50	TELCO	665	675	677.50
CAR. POLY	74	74	74	MASTERSHR	10.25	10.12	10.25	TISCO	815.75	822.50	822.50
GE.SHIP	27.85	28	27.75	MATHER PL	50	48	54	VOLTAS	335	340	342.50

## FRANKFURT

STOCK	LAST PR-CLOSE	STOCK	LAST PR-CLOSE	MITSUR CP	1100	1120	MITSUR EL	950	948	MITSUR EST	2390	2420
AEG	202.5	202.4	AJJINOMOTO	2900	2900		MITSUR HVY	897	905			
ALLIANZ VR	1490.0	1492.5	AKAI ELEC	602	615		MITSUR OO	865	880			
BADENMERK	177.5	180.0	AKOI	907	911		MITSUKOSHI	1860	1870			
BASF	258.6	261.0	ASAHI GLS	1850	1880		MITSUKI EL	1030	1050			
BAFER	290.0	291.0	ASAHI OPT	674	674		MICHICOM	1310	1360			
BAFER HYP	325.5	327.5	BANK TOKYO	1550	1550		MITSUBI CHNT	800	810			
BAYER VER	323.0	325.0	BRIDGESTON	1270	1280		MITSUBI CTR	1200	1200			
BBC	303.2	303.0	CANON	1480	1490		MITSUBI KTR	1760	1780			
BHF	409.0	412.0	CASIO COMP	1420	1470		MITSUBI LTR	2100	2120			
BHW	477.0	485.0	CHUGAI PHM	1500	1520		MITSUBI MTR	1900	1900			
COMMERZBZ	224.2	225.0	CITIZEN W	810	811		MITSUBI OIL	1090	1090			
CONTI GUMM	237.0	238.0	D-ICHI KAN	2950	2990		MITSUBI STEEL	710	718			
DAIMER BEN	650.0	652.0	DAI HIP IK	765	770		MITSUBI TR	715	730			
DEUTSC BNK	455.3	458.0	DAI HIP PT	2560	2600		MITSUBI TR	1170	1170			
DLL	571.0	578.0	DAI HIP SC	1060	1080		MITSUBI TR	3690	3670			
DRESDNER B	256.2	256.6	DAI MIP	620	643		MITSUBI TR	935	950			
DT BAROCC	171.2	171.0	DAICEL	818	830		MITSUBI TR	1060	1100			
FAZ INDEX	478.65	482.10	DAIMA H	2000	2020		MITSUBI TR	1290	1290			
FELDMUEHL	267.8	268.0	DAIMA SEC	2290	2310		MITSUBI TR	1260	1290			
GOLDSCHEID	290.0	286.5	EBRA NG	927	917		MITSUBI TR	1260	1280			
HARPENER	431.0	428.0	EISAI	1950	2000		MITSUBI TR	1280	1280			
HOECHST AG	279.7	280.0	FUJITSU	1820	1850		MITSUBI TR	1280	1280			
HÖSCH	155.6	157.2	FUJI BANK	3150	3150		MITSUBI TR	1280	1280			
HORTEN	189.0	188.0	FUJI PHOTO	3790	3800		MITSUBI TR	1280	1280			
HUSSEL HLD	401.5	408.0	FUJISAWA	1780	1750		MITSUBI TR	1280	1280			
KALI SALZ	161.0	162.2	FUJITA CP	712	715		MITSUBI TR	1280	1280			
KARSTADT	396.2	395.2	HITACHI	1730	1770		MITSUBI TR	1280	1280			
KAUFHOF	342.0	341.0	HONDA MOT	2110	2180		MITSUBI TR	1280	1280			
KLOEK H	135.1	136.0	ISETAN	2250	2290		MITSUBI TR	1280	1280			
KLOCK W	0	101.00	ITO YOKADO	4270	4300		MITSUBI TR	1280	1280			
LINDE	679.5	681.0	JAP SYN RU	1160	1160		MITSUBI TR	1280	1280			
LUFTHANSA	136.0	137.0	JAPAN AIR	14400	14400		MITSUBI TR	1280	1280			
HAN	199.7	201.9	JAPAN NET	640	635		MITSUBI TR	1280	1280			
MANNESMAN	173.0	173.5	KAJIMA	1440	1430		MITSUBI TR	1280	1280			
MERCEDES	513.0	515.0	KANSAI EL	3040	3060		MITSUBI TR	1280	1280			
M												

## BUSINESS

### Sterling sinks

## Markets steady amid inflation, rate anxiety

LONDON, Aug 26. (Reuter): Stock markets mostly kept cool today at the end of a week when rising inflation in the global economy forced six European nations to raise interest rates.

Wall Street share values showed early modest gains, after a 16-point drop on the Dow Jones industrial average yesterday immediately after the interest rate moves by West Germany and others including Britain and France.

New York dealers said news today of a less-than expected rise of 0.5 per cent in US personal spending in July eased fears of inflation.

"People were looking for a signal and they got a positive one," said senior trader Ken Ducey at S. G. Warburg.

The Dow at New York's mid-day was up 7.29 at 2,018.14, little changed from where it began this week.

#### Gains

Today's surprise gains in New York put heart into the London market which ended with the 100-share FTSE index at 1,770.7 — down 9.5 but above lows around 1,760.

Values had been marked down in London to try to find buyers a day after British base interest rates went up to 12 per cent.

That action represented a government move to pin off an inflationary boom that, as imports surged, sent Britain's trade gap last month above \$3.5 billion, a record.

But Casey Flaherty, a trader Yamaichi Securities in Tokyo, said: "It's not a panic sell-out." And share dealers elsewhere

mostly concurred in seeing too few buyers, out too many sellers.

Investors are jittery lest interest rates now go up again in the United States, and in Japan, leading to a competitive round of increases that would crimp global economic expansion.

#### Rates

Stock markets hate high interest rates. They mean more people keep their money in the bank, while dealer borrowing crimps demand for companies' products and puts up their costs.

The dollar closed steady at 1.858 yesterday.

West Germans, in raising their discount rate from three to 3.5 per cent this week, wanted to make Deutschmark assets more attractive and stop a powerful rally of the dollar.

Money has been attracted to this summer as US interest rates moved higher to deal with inflation in America. But a strong dollar puts up Europe's import bills.

#### Dealers

European currency dealers said it appeared that a cap had now been put on the dollar, for now. Its present value compares with 19-month highs at 1.92 marks earlier in August.

Big central bank dollar sales last week and this week helped tide it down, together with yesterday's European interest rate rises and a strong pledge to defend the mark by West German Bundesbank President Karl Otto Poebel.

"The mark is back in favour again after yesterday's events," said a senior currency dealer at a

large German bank. "The Bundesbank was incredibly forceful yesterday," added James O'Neill, fixed income economist at Swiss Bank Corp in London.

The dollar closed steady at 133.85 yen. Gold was little changed at a London afternoon setting of \$43.15 an ounce. Sterling was weaker at 75.6 on a Bank of England index against other key currencies after yesterday's closing.

In London the effect of weak sterling and a subsequent sharp rise in sterling money market rates was dampened by a higher trend on the New York stock market, and share prices stood well off their lows in late trading.

Dealers said trading was nervous throughout the day as the market grappled with the implications of yesterday's balance of payments and base rate news. But few market observers expect prices to drop much below current levels.

At 1430 GMT the FTSE 100 was down a net 11.5 points at 1,768.7 after a low of 1,759.7 at 1409 GMT. Volume, as was the case yesterday, was higher than of late at 358 million shares.

#### Nervous

Although the market was very nervous over the trend of interest rates, high institutional liquidity is expected to underpin the market.

"If investors haven't sold after all this bad news I can't see them selling at all," one analyst said.

"The market is obviously going to be sensitive to more bad news but I can't see a dramatic sell-off... certainly nothing like October's crash."

#### Demand

Dealers said the effect of higher interest rates on the corporate sector is likely to be more strongly felt through the slowing in consumer demand, which is the ultimate aim of the rate rises, rather than in the direct cost of borrowing.

"I can see the fall-off in demand putting the retail and leisure sectors under pressure and, eventually, the building industry as well," an analyst said.

One building analyst said, "It looks like interest rates will hold at present levels for some time. Since many thought the housing market was near the top anyway, this could push it right off the

edge with a resultant downturn in profits."

By 1530 GMT the building materials and construction sectors stood 2.1 per cent lower on the day while leisure stocks had shed 1.3 per cent and stores 2.3 per cent.

Cemeo group RMC dipped 12p to 454 and Blue Circle 12p to 428 while stores group GUS slumped 24p to 1,030 and Woolworth 5p to 250. Sears was again near the top of the actives list with over 10 million shares changing hands for a 4p fall to 141.

BP part-paid shares were 2.1p down at 140 and topped the actives list with over 11.2 million shares changing hands.

#### Stake

Aug 30 is the deadline for the second payment of 105p on the shares but they began trading ex-dividend and in a form which included this payment at the start of this week.

The Kuwait Investment Fund, which has a stake of almost 22 per cent in BP, has confirmed it will be paying the second instalment due on its holding, which analysts said could total around £1.4 billion.

Jaguar was 12p off at 252 in reaction to an unexpectedly sharp fall in half-year pre-tax profits to £22.5 million from 45.7 million last year. Forecasts had centred around 30 million but currency movements made a bigger than expected dent in profits.

The FTSE 100 index closed 9.5 points down at 1,770.7 as Wall Street held off its earlier gains. Volume on the day was 415 million shares.

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## OPEC secretary-general to meet Sheikh Ali

### Subroto leaves for Kuwait



VIENNA, Aug 26. (KUNA): OPEC Secretary-General Dr Subroto left for Kuwait today at the start of a Gulf tour that will also take him to Iran and Iraq to discuss how to overcome the oil market glut and bolster flagging oil prices.

To Kuwait, Subroto, the former Indonesian oil minister will discuss current world oil market developments with Kuwait's Oil Minister Sheikh Ali Al Khalifa.

Subroto's Gulf tour is part of consultations with all OPEC countries prior to the organisation's ministerial conference on Nov 25.

In an interview with KUNA, Subroto called his visit to Kuwait "an appropriate lead" to his trips to Iraq and Iran, two key OPEC producers.

**Hope**

He expressed hope that Iran and Iraq will resolve differences about output quotas now that they have started a ceasefire.

Iraq had refused to adhere to its OPEC-decreed output share unless the share equalled Iran's 2.4-million barrels per day.

Both countries are expected to overproduce and add to the current market glut as post-war reconstruction starts.

Meanwhile, Subroto said the disagreement between Kuwait and Venezuela over the issue of condensates was being exaggerated.

In an exclusive interview with OPECNA, the secretary-general said the question of a definition of condensates was a general problem, rather than that of acrimony between the two OPEC member countries.

He noted that the production

Venezuela and Ecuador — and two non-OPEC producers — Colombia and Mexico.

He is yet to visit OPEC countries Qatar, Algeria, Gabon, Libya and Nigeria.

Other non-OPEC states to be visited are Angola, China, Egypt, Malaysia and Oman.

Visits

Subroto said a completion of the visits to these OPEC and non-OPEC countries would facilitate an identification of problems and a follow-up of the expression of the political will displayed during the OPEC/non-OPEC meeting in Vienna last April.

The secretary-general said that in his visits so far, heads of state of OPEC member countries had encouraged the organisation to continue to seek oil market stability.

In addition, non-OPEC countries' heads of state had given assurance that they appreciated co-operation with OPEC and wanted to see a continuation of the dialogue between OPEC and non-OPEC.

Role

Mexico, in particular, had pledged to continue to play a leading role in bringing OPEC and non-OPEC countries closer, the secretary-general added.

He said both OPEC and non-OPEC countries saw the mutual benefit in achieving the objective of an \$18 crude price.

On the positive indications for a solution to the issue of production levels for Iraq and Iran, the secretary-general noted that past difficulties had been political in nature, being due mainly to hostilities between the two OPEC countries.

## Arabia and Kuwait.

The financial burdens that the war has left Iraq could give the country more incentive than ever to step up its exports, which currently bring in \$1 billion a month.

Debt

Iraq has piled up \$65 billion in debt, half of which is owed to Saudi Arabia and other Arab countries. In addition, damage to Iraq's oil facilities amount to an estimated \$8 billion.

Exports

## Iraq

Iraq's exports to the US now average 500,000 barrels a day, up from 125,000 barrels a day in January.

The war with Iran put a cap on Iraqi production, but after Saturday's ceasefire the Iraqis are planning to exploit their proven reserves, estimated at 100 billion barrels.

This makes Iraq the world's second-largest oil nation behind Saudi Arabia, which has proven reserves of 169.5 billion barrels, including 5.2 billion barrels of reserve in the central zone, divided equally between Saudi

Arabia and Kuwait.

Currently, Iraq is producing up to 2.8 million barrels a day, according to OPEC. Oil Minister Al Chalabi puts the country's production capacity at four million barrels a day and says that will be increased by 500,000 barrels a day with fields already under development.

In as little as a year, he says, Iraq could have port and pipeline facilities to export as much as seven million barrels a day.

"And profits will depend on how the bank conducts its business," he added.

This is a radical departure from the old style of banking. Up to now, Soviet state enterprises have had no incentive to boost profits by cutting costs and raising productivity, and the role of banking has been limited.

Gosbank has mainly overseen the performances of enterprises and subsidised their losses.

Western analysts expected the role of banking to grow in the Soviet Union as the concept of enterprises as self-supporting units operating on a profit-and-loss basis takes root under the economic reform plans of Kremlin leader Mikhail Gorbachev.

Bekhterev said one of his bank's first loans was awarded to a co-operative which produced five tonnes of mushrooms a month but wanted to expand production fourfold (\$160,000).

Taking into consideration the quick turnover of capital and the solid profitability of the firm, it was decided to open the credit," he said.

He added that Gosbank would improve banking services not only for co-operatives but also for the general population, who for the first time would be able to invest their money

Commercial banks functioned in the Soviet Union in the early 1920s under the "new economic policy" of Vladimir Lenin but were closed down as Josef Stalin fully centralised the economy.

Soviet citizens

**FOCUS**  
newswatch



N Brigadier-General Venky Patil (third from right), commander of the United Nations military observer group, is briefed by his staff.



ARMED soldiers stand guard at the grave of late Pakistan President Mohammad Zia-ul-Haq. Since his burial, hundreds of people have gathered every day at the grave to pray. (Reuter wirephoto)



POLICE charge a youth in central Bilbao after Basque separatists tried to remove a Spanish flag from the City Hall during the city's annual festival. (Reuter wirephoto)



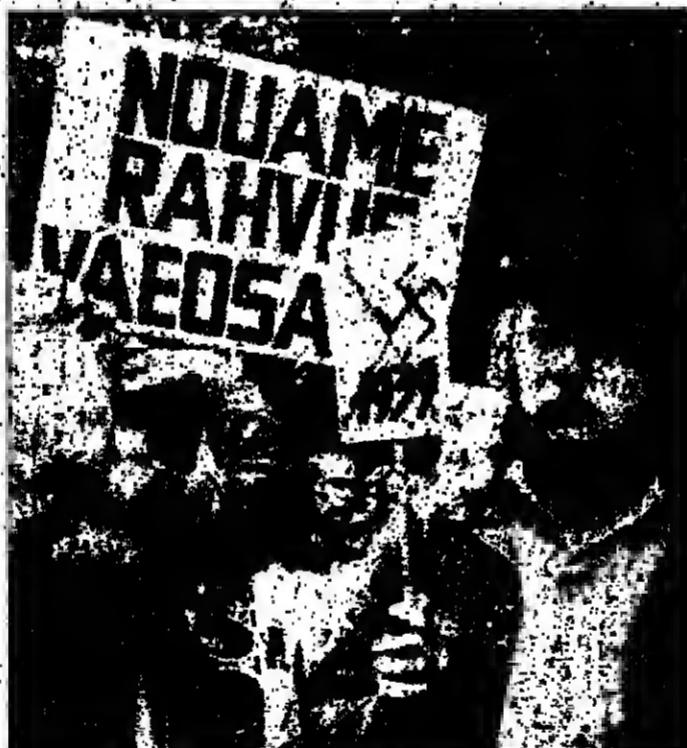
DEMOCRATIC presidential candidate Michael Dukakis is joined by Pennsylvania Governor Robert P. Casey during a rally in Pittsburgh's Market Square. (Reuter wirephoto)



SENIOR Chinese leader Deng Xiaoping (right) greets Japanese Prime Minister Noboru Takeshita at the beginning of their talks in the Great Hall of the People. (Reuter wirephoto)



A huge fire rages at a stylish shopping district in downtown Kuwait. One person was killed and an entire street of department stores was gutted. (Reuter wirephoto)



AN ESTONIAN youth carries a poster referring to the 1939 Molotov-Ribbentrop Pact during a pro-independence rally in Tallinn. The pact assigned the Baltic states to the Soviet sphere of influence. The poster asks for the creation of local Army units. (Reuter wirephoto)



YOUNG Burmese march on a downtown Rangoon street bearing a protest sign — Democracy. (Reuter wirephoto)



The last Greek relay runner lights the cauldron as boys hold the flags of the 161 countries participating in the Seoul Games, in packed Panathinian Stadium, restored for the first Olympics in 1896, at the ceremony of the handing over of the Olympic flame to the Seoul Olympic Committee. (Reuter wirephoto)



BURUNDIAN refugees arrive in Rwanda after the Army killed thousands of tribals. (Reuter wirephoto)

# ARAB TIMES Classifieds

## ACCOMMODATION

### Available

SALMIYA behind Mexican Restaurant. Sharing accommodation available in a 2 bedroom flat for 2 Muslim bachelors or spinsters with a family. Tel. 5726275, after 10 am.

(AT5-43623-3)

IN Kuwait City, Sharq beside Fingers Print Building. One room for 2 Muslim bachelors or 2 working ladies. Tel. 2415945, 2404971.

(AT5-43637-3)

SALMIYA Centre behind Pizza Hut. One big room for 3 Filipino working ladies. KD25 each and one small room for a couple. KD40. Contact Vangie, 'Panella'. Salmiya. Tel. 5732605, 3-10 pm.

(AT5-43650-3)

IN Salmiya, one room for a Filipino couple or 3 working bachelors or ladies to share with a Filipino couple. Bus 19, 30. Tel. 5640070 3-5 pm.

(AT1-43643-3)

IN Salmiya, behind Mercedes showroom, for Indian bachelors to share with other bachelors. Bus 15, 19, 24, 519, 30. Tel. Dayanand, 5749750, 4-9 pm.

(AT1-43644-3)

IN Jabiya, near vehicle testing ground. One-bedroom apartment 3 ft sailing yacht with inboard diesel engine. Well equipped and in good condition. Excellent racing record, but also good cruiser. Owner leaving Kuwait. KD 12000ono. Tel. 2414131, 2441250, office hours.

(AT5-43649-3)

### Luxurious deluxe central AC apartments

3 bedrooms  
2 bedrooms  
1 bedroom

3 bathrooms  
2 bathrooms  
1 bathroom

Large swimming pool.  
Double sized tennis court, beside Holiday Inn Hotel, Farwaniya

Tel. 2417975, 2457274.

**Al-Naqeeb & Khattar Co. W.L.L.**

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Sports wear — bags — school shoes and all other school requirements. Visit us once and you will find all your needs.

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### For Rent

IN Salmiya new furnished flats 1 bedroom, 1 living room, kitchen, bathroom, CAC. Rent KD 180 including water and electricity. Deluxe 2 bedrooms, large living room, kitchen and bathroom. CAC. Rent KD200. Tel. 9036796, 3614674.

### Miscellaneous

SINGER sewing machine for embroidery, model No. 248. Made in Brazil, 2 month's old only, for sale. Tel. 5639225.

(AT1-43651-3)

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(AT6-MZ-AJ-2)

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**SPORTS****W.GERMAN STAR FULLY FIT AFTER TWO-WEEK REST****Becker crushes Arias on return**

Becker: proved his fitness

**Gardner needs victory to keep title hopes alive**

BRNO, Czechoslovakia, Aug. 26. (Reuter): Australian Wayne Gardner will start Sunday's Czechoslovak Motorcycling Grand Prix knowing nothing short of victory can preserve his hopes of keeping his world 500cc title from arch-rival Eddie Lawson.

Gardner has turned in a series of gritty rides this season despite big handling problems with his Honda, and a repeat of his victory last year on the modern Brno track would just keep him in touch with Lawson's Yamaha.

But the odds are stacked against him. Lawson, who is equally determined to regain the 500cc title he lost to Gardner last year, can take an unbeatable championship lead if he wins on Sunday and the Australian fails to score.

Already Lawson has won six races this season to Gardner's three. And crucially he has lived up to his nickname of "Steady Eddie" by backing up his wins with other strong placings. At present he is 11 points clear of Gardner, 23 points lead over Gardner.

**Chances**

A finish in the points behind Lawson would, theoretically, keep Gardner's title chances alive for the remaining two races. But he would be far adrift as to have virtually no chance in reality. Gardner's form has been patchy with recent outings marked by a series of high-speed practice and race tumbles.

Sunday's race on the Brno circuit, which swoops in a series of medium-speed corners through a pine forest, is the last in Europe this year. If Lawson and Gardner should falter, American Wayne Rainey on a Yamaha is among the favourites, following his maiden Grand Prix win at the British round earlier this month.

In the 250cc event Spaniard Sito Pons will defend his championship lead from compatriot Juan Garriga. But reigning world champion Toni Mang will be missing. The West German, who won at Brno last year, announced his immediate retirement last week after a miserable season capped by a serious fall from his Honda at the Yugoslav Grand Prix.

On Sunday 125cc bikes and the sidecars will also race while tomorrow the 80cc riders will have their last outing of the year. Spaniard Jorge Martinez has already won the title on his Derbi.

**FIFA to decide on Iraq and Iran ban in December**

ZURICH, Aug. 26. (KUNA): A decision on whether to lift a ban on international football matches being played in Iran and Iraq will be made by the sport's governing body on December 1.

Guido Tognoni, spokesman for the International Federation of Football Associations, FIFA, told KUNA that an executive committee session would decide on what action would be taken.

"We have to see whether the ceasefire is holding and what happens between now and then," he commented.

**Recently**

He noted that a request to lift the ban on matches in Iraq had been received recently from the president of the Kuwait Football Association, Sheikh Fahd Al Ahmed.

FIFA regulations do not allow international soccer matches to be played in countries at war, and nations in conflict are obliged to play all home matches in a third nation.

If the executive committee lifts the ban, then this would apply to both Iran and Iraq," he stressed.

JERICHO, N.Y., Aug. 26, (Reuter): Boris Becker pronounced himself fully fit after a two-week rest for his battered feet and thrashed Jimmy Arias to prove his point in a first-round match at the \$190,000 Hamlet Challenge Cup yesterday.

Becker, who pulled out of the Canadian Open after winning in Indianapolis earlier this month, took just 66 minutes to beat the unseeded Americans 6-4, 6-2.

**Injured**

The West German, ranked fifth in the world, claimed there had been too much talk about his injured feet.

"If I wasn't 100 per cent I wouldn't be here," he said.

Becker had only one shaky service game against Arias, who dropped in rankings to 139th since being sidelined with a shoulder injury.

But Becker erased a 15-40 deficit in the fourth game of the match and then romped to victory to join second-seeded American Andre Agassi, fourth-seeded Yannick Noah of France

and unseeded Jim Courier as other first-round winners yesterday.

The 18-year-old Courier, a former Orange Bowl and junior Italian Open champion, knocked off sixth-seeded Henri Leconte of France 7-6 (8-6) 6-3 to advance.

Agassi, fourth in the world, overcame early service problems to beat compatriot David Pate 6-7 (5-7) 6-4, 6-4.

Noah, ahead 2-1 in the third set when rain halted his match on Wednesday, finished off Slobodan Zivojovic of Yugoslavia 6-3 6-7 (2-7) 6-3.

Becker returned home to West Germany to have his sore feet examined and said the time off was just what he needed.

"I only saw the doctor but I had a good rest for two weeks," he said. "When I got here on Saturday I was fresh and ready to play again."

"Those two weeks were good for me."

Becker broke Arias' service in the opening game and except for

the fourth game when he had to rally on service, was never threatened.

Arias gave the two-time Wimbledon champion good marks but not a perfect rating.

"He volleyed well and got to the net well, but from the baseline he could have been a little better," Arias said.

Becker acknowledged that he had misfired on some ground-strokes, but said: "For a first match after being away I thought I played well."

**Saved**

Defending champion Jonas B. Svensson, the seventh seed, saved a match point before winning the last three points of the third-set tiebreaker for a 6-2 1-6 7-6 (8-6) victory over his fellow-Swede Mikael Pernfors in the final match of the day.

In the quarterfinals, Becker plays Israeli Amos Mansdorf, top seed Ivan Lendl of Czechoslovakia faces Swede Anders Jarryd, Svensson meets the second-seeded Agassi, and Courier plays Noah.



Graf: annoyed by her teammate

**Graf blasts Hanika for semifinal spot**

MAWAH, N.J., Aug. 26, (Reuter): Steffi Graf defeated her Olympic tennis teammate Sylvia Hanika at the Mahwah Classic yesterday and afterwards lashed out against tactics employed by her West German compatriot.

Graf, who crushed Hanika 6-2 6-1 to reach the semifinals, was pleased by the score but not with the actions of her opponent, who continually delayed play between points to wipe her face and clean her glasses during the humid evening.

**Opponent**  
Wiping  
"I have fun playing tennis but you don't enjoy playing when your opponent takes so much time wiping off her glasses and walking around," said the world's number one player. "She was doing it on purpose."

Graf next meets the winner of a quarterfinal this evening between third seed Helena Sukova of Czechoslovakia and American Stephanie Rehe, the eighth seed.

**Against**

In the other quarters, fifth seed Katerina Maleeva of Bulgaria will play unseeded Catarina Lindqvist of Sweden and fourth seed Natalia Zvereva of the Soviet Union will go against Nathalie Tauziat of France, another non-seed.

Maleeva and Tauziat both advanced with one-hour victories yesterday. Maleeva beat Argentine Bettina Fulco 6-0 6-2, while Tauziat defeated qualifier Julie Halarad in an all-French match 6-4 6-1.

**Green drops charges against Tyson**

NEW YORK, Aug. 26, (Reuter): Mitch "Blood" Green dropped assault charges yesterday against world heavyweight champion Mike Tyson stemming from their Harlem street fight early on Tuesday morning.

Green, who received five stitches over his nose after his run-in with Tyson outside an all-night boutique, said he was dropping charges because Tyson had agreed to give him a rematch.

**Suffered**

No one in the Tyson camp would confirm an agreement had been made. Neither Tyson, who suffered a hairline fracture of his right hand in the skirmish, nor his manager, Bill Cayton, were available for comment.

Green, who lost a 10-round decision against Tyson two years ago at Madison Square Garden, told reporters outside Harlem's 25th police precinct: "As of now I'm dropping charges because he's guaranteed me a title fight."

Green added that all he had to do was get himself ranked in the top 10 again to ensure his title shot.

**Foreman stops Mijangos**

FORT MYERS, Florida, Aug. 26, (AP): Former heavyweight champion George Foreman stopped Ledis Lao Mijangos of Mexico in the second round before about 2,500 spectators at the Fort Myers Civic Centre last night.

The fight was stopped at 2:42 of the second round after Mijangos, 27-3, was knocked down by a punch to the jaw.

The 40-year-old Foreman, 56-2, has won 11 consecutive fights since making a comeback to the ring last year.

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\$500,000 from Arsenal, the side they humiliated in last season's League Cup final at Wembley.

William's Highbury career went awry after he had originally reproduced the form which took him into the national side, but Harford has no doubts Williams can help Luton build on last season's success.

"Steve was available, the price was right and he has the qualifications," said Harford, who must open the season without hamstring victim Ricky Hill, another former England man.

"Steve hasn't been a problem here and is only interested in making us a better team. We want to win another trophy — the League," he said.

**Striker**

Everton, disappointed with fourth place last season after winning the championship in 1985 and 1987, paid £2.5 million (\$4.2 million) for England striker Tony Cottee in a bid to step up their local feud with Liverpool. They take on Newcastle at home.

In Scotland the two Glasgow rivals for the title, Celtic and Rangers, meet in a match which almost always guarantees a sell-out crowd and a fiery match played at break-neck pace.

The two Edinburgh rivals Hearts and Hibernian also meet in a key local clash.

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Senna takes provisional pole position.

(Photo by Colin Taylor Productions)

races. He has won the last three in succession.

The Belgian event — the 11th race of the season is important — because only the top 11 finishers of the 16 Formula One races count in the total standings.

Ricardo Patrese of Italy was fifth in today's qualifying with 1:57.138 in a normally-aspirated Williams-Judd, just ahead of

Belgium's Thierry Boutsen, 1:57.453, in a Benetton-Ford.

Patrese's team-mate, Nigel Mansell of Britain, is missing the Belgian Grand Prix because of a secondary infection of the chicken pox he suffered two weeks ago at the Hungarian GP.

His place is being taken by another Briton, Martin Brundle,

who came in 12th in 1:58.206.

**France struggle to continue unbeaten run**

PARIS, Aug. 26, (Reuter): A disappointing French side struggled to continue their unbeaten run in 1988 when they drew 1-1 with Czechoslovakia in a friendly international on Wednesday.

Young striker Stephane Paille gave France the lead in the 52nd minute but Jan Danielz grabbed a deserved equaliser for the visitors 10 minutes from time.

**Suggested**

France reached the last four of the past two World Cup finals but the evidence of this match suggested they will do well to qualify for the next finals in Italy in 1990.

Trainer Henri Michel opted for youth and inexperience in their solitary warm-up match before the first qualifying against Norway in Paris on September 28.

But there was little in his team's performance to offer him any better idea than to push the panic button.

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